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ABSTRACT

This monograph presents an evaluation of Stage One of Australia's proposed Child Support Scheme, designed to collect money owing following a court order or approved agreement for the payment of child support. Chapter 1 summarizes the major characteristics of the Child Support Scheme and the background, features, and findings of both phases of the evaluation. Chapter 2 provides summary information on data provided as of December 1990. At that date, the Child Support Agency had recorded a total of 85,226 child and/or spousal maintenance registrations. Chapter 3 examines the experiences and circumstances of most custodial parents, and looks at changes which have taken place to the Stage One population. Chapter 4 focuses on the experiences of custodial parents registered with the Child Support Agency in mid-1990. The impact of registration on parents and the parent-child relationship are discussed. Chapter 5 reports the experiences of non-custodial parents whose former partners had registered their maintenance orders or court-approved agreements with the Child Support Agency. The capacity and willingness of these parents to pay the amounts due and to pay through the Agency in prescribed manners and times is addressed. Chapter 6 discusses custodians who have chosen to opt out of the child support scheme. Chapter 7 examines the role of employers in the Child Support Scheme. Chapter 8 summarizes the monograph and discusses reform trends. Research methodology is described. (LLL)

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Australian Institute of Family Studies

Paying for the Children

Parent and Employer Experience of Stage One of Australia's Child Support Scheme

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Rosangela Merlo and Viviana Lucchesi

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Paying for the Children

Parent and Employer Experience
of Stage One of Australia's
Child Support Scheme

Margaret Harrison, Gregg Snider,
Rosangela Merlo and Viviana Lucchesi

Australian Institute of Family Studies
Monograph No. 10

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A project of this size is the result of a team effort within the Institute. In addition to the authors, Don Edgar (AIFS Director) and Peter McDonald (AIFS Deputy Director, Research) were involved in all stages of the study. Further research assistance was provided by Greg U'Ren.

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CONTENTS

Acknowledgements (iii)
List of Tables (viii)
List of Figures (xi)
Foreword (xiii)

1 **Background, Findings, Recommendations** /*Margaret Harrison and Gregg Snider* 1
Background 1
AIFS evaluation 2
Observations from interim report 3
Characteristics of Stage One 4
Characteristics of Stage Two 6
Recommendations of Child Support Evaluation Advisory Group 6
Summary of Findings 7
AIFS Recommendations 10

2 **Child Support Agency Registrations** /*Gregg Snider* 12
Registrations 13
Maintenance Adequacy 14
Stage Two Formula 16
Commonwealth Savings 19

3 **Pre-Scheme Population of Custodial Parents** /*Gregg Snider* 21
Pre-Scheme Maintenance Situation 22
Situation in 1990 22
Change 23
Registration 28
Operation of Maintenance Income Test 35
Recommendations 42

4 **Child Support Agency Registered Custodial Parents** /*Margaret Harrison* 44
Characteristics of Custodial Parents 44
Information About the Scheme 48
Time Factors and Payment Process 52
Impacts of Registration on Custodial Parents 56
Characteristics of Recipient Custodial Parents 62
Pre-registration Payments and the Impact of Registration on Payment 67
Registration and its Effect on Parent–Child Relationships 72
Pre-June 1988 and Post-June 1988 Separations 79
Pensioners and the Child Support Scheme 82
Attitudes to Child Support Scheme 88
Conclusions 95
Recommendations 96

5 **Child Support Agency Registered Non-Custodial Parents** / *Margaret Harrison* 98
Payment After Registration 101
Non-periodic Payments 104
Factors Affecting Payment After Registration 105
Effects on Parent–Child Relationship Since Registration With Child Support Agency 106
Concerns About Child Support Scheme 109
Time Between Notification of Registration and Payment 110
Information about the Scheme and Attitudes 111
Relationship Between Income of Non-custodial Parents and Amounts of Child Support Payable 117
Open-ended Comments by Non-custodial Parents 120
Conclusions 122

6 **Custodians Who Have Chosen To Opt Out of the Child Support Scheme** / *Rosangela Merlo* 123
Who May Opt Out of the Scheme? 123
The Sample 124
Who Has Opted Out? 125
Experiences, Concerns and Attitudes Toward the Scheme 127
Reasons for Opting Out 130
Position of Those No Longer in the Scheme 134
Summary 136

7 **Employers and the Child Support Scheme** / *Viviana Lucchesi* 137
Background 137
Legislative Provisions 139
Employers' Involvement with Automatic Withholding Procedures 140
Registered Non-custodial Parents' Experiences of Collection Procedures 145
Summary 148

8 **Conclusion** / *Margaret Harrison* 150

References 154

Appendix 1: Sampling / *Gregg Snider* 156
Appendix 2: Maintenance Circumstances by Selected Characteristics / *Gregg Snider* 171
Appendix 3: Department of Social Security Clawback Estimates 182

LIST OF TABLES

Table 2.1 CSA registrations, June 1988–November 1990: registration status as at 17 December 1990

2.2 Active collectable (non-zero) Stage One maintenance entitlements, 17/12/90

2.3 Active collectable (non-zero) Stage One maintenance entitlements, 17/12/90 by selected characteristics

2.4 Active collectable (non-zero) Stage One maintenance entitlements, 17/12/90: nominal and real ($1990) maintenance by year of order/agreement

3.1 Maintenance situation, 1988 and 1990 (N=936)

3.2 Effect of selected variables on maintenance status, 1988–1990

3.3 Impact of registration on custodial parent maintenance

3.4 Selected characteristics of registered and unregistered custodial parents

3.5 Reasons for Agency registration

3.6 Reasons for not registering with the Agency

3.7 Registered custodial parents receiving and not receiving maintenance: maintenance and income

3.8 Selected characteristics of registered custodial parents receiving and not receiving maintenance

3.9 Joint effect of maintenance collection and the maintenance income test on pensioner income

3.10 Percentages of pensioners whose income drops when maintenance due is paid and subject to the separate maintenance income test at different levels of maintenance not subject to 'clawback'

3.11 Joint effect of maintenance collection and an alternative maintenance income test on pensioner income

4.1 Per cent of registered custodial parents by general characteristics

4.2 Main sources of information about the Child Support Scheme: percentage distributions

4.3 Helpfulness of information received about the Child Support Scheme: percentage distributions

4.4 Main reasons for registering with the Child Support Agency: percentage distributions

4.5 Custodial parents' main concerns about Child Support Agency registration: percentage distributions

4.6 Satisfaction with maintenance collection under the Child Support Scheme: percentage distributions

4.7 Proportion of registered custodial parents receiving child maintenance by selected characteristics

4.8 Per cent of registered custodial parents receiving child maintenance who (a) were receiving maintenance before registration or (b) were not receiving maintenance before registration, by selected characteristics
4.9 Registered custodial parents: incidence of payment of child support before registration and at the time of the survey
4.10 The nature of changes in the relationship between the respondent and the children (for those reporting some change)
4.11 Selected characteristics of custodial parents who separated prior to and after the introduction of the Child Support Scheme
4.12 Selected characteristics of pensioners advised and not advised by the Department of Social Security to register with the Child Support Agency
4.13 Registered custodial parents: sole parent pension receipt prior to the decision to register, and at the time of the survey
4.14 Understanding of the maintenance income test by pensioner status
4.15 Attitudes to the maintenance income test by pensioner status
4.16 Attitudes to the major objectives of the Child Support Scheme by pension status and receipt of maintenance: percentage distributions
4.17 Principal Components Analysis: attitude to Scheme objectives
4.18 Scale means
4.19 OLS regression analysis of determinants of attitudes to the Child Support Scheme

5.1 Per cent of registered non-custodial parents by general characteristics
5.2 Proportion of registered non-custodial parents paying child maintenance by selected characteristics
5.3 Helpfulness of information received about the Child Support Scheme: percentage distributions
5.4 Non-custodial parents' main concerns about the Child Support Agency registration: percentage distributions
5.5 Main sources of information about the Child Support Scheme: percentage distributions
5.6 Proportion of paying non-custodial parents who are happy with the way they are now paying maintenance
5.7 Paying non-custodial parents' perception of their maintenance arrangements with the Child Support Agency as compared with their arrangements prior to registration
5.8 Attitudes to the major objectives of the Child Support Scheme by pension status and payment of maintenance
5.9 Principal Components Analysis: attitudes to Scheme objectives
5.10 Scale means
5.11 OLS regression analysis of determinants of attitudes to the Child Support Scheme

6.1 Characteristics of sample and comparison with other custodian groups
6.2 Attitudes to main objectives of the Child Support Scheme: percentage distributions
6.3 Major concerns about being in the Child Support Scheme as expressed by custodians no longer registered with the Agency
6.4 Experiences of custodians who opted out of the Child Support Scheme: percentage distributions
6.5 Reasons for opting out of the Child Support Scheme

7.1 Number of employees whose maintenance was automatically withheld in May 1990
7.2 Employers' perception of the helpfulness of the Child Support Agency
7.3 Initial and subsequent cost incurred by employers in making automatic maintenance deductions
7.4 Non-custodial parents' attitudes towards various aspects of the Child Support Scheme by payment method

Appendices

A1-1 Wave I response rates for sample strata
A1-2 Stratification effects on sample composition
A1-3 Sampling characteristics of the pre-Scheme custodial parent sample: gender, partnership status and pension status
A1-4 1990 on-Scheme samples: response rates
A1-5 Comparison of the CSA population (April 1990) with on-Scheme respondent characteristics
A1-6 Weighting factors applied to 1990 on-Scheme samples
A1-7 Comparison of the CSA population (April 1990) with on-Scheme respondent characteristics

A2-1 Early custodial parent registrants (1988)
A2-2 Early non-custodial parent registrants (1988)
A2-3 Pre-Scheme custodial parents, Wave I (1988)
A2-4 Pre-Scheme non-custodial parents, Wave I (1988)
A2-5 Pre-Scheme custodial parents responding at both Waves I and II (1990)
A2-6 Registered custodial parents receiving maintenance (1990)
A2-7 Registered non-custodial parents paying maintenance (1990)
A2-8 Registered custodial and non-custodial parents not receiving/paying maintenance (1990)
A2-9 Custodial parents who opted out of the Scheme (1990)
A2-10 Non-custodial parents whose former partners opted out of the Scheme (1990)

LIST OF FIGURES

Figure 2.1 Active collectable (non-zero) Stage One maintenance entitlements 30/11/90 by year of order or agreement

3.1 The maintenance process

3.2 Effect of changing clawback parameters

4.1 Custodial parents' perception of information or help received by the Department of Social Security by pension status

4.2 Custodial parents' perception of information or help received by the Child Support Agency by pension status

4.3 CSA collection/payment cycle

4.4 Average time between registration and receipt of first payment for the period June 1988 to October 1990

4.5 Perceived impact of the Scheme on ensuring that the right amount of maintenance is paid

4.6 Perceived impact of the Scheme on ensuring that maintenance is paid on time

4.7 Perceived impact of the Scheme on receipt of enough maintenance

4.8 Perceived impact of the Scheme on the custodial parent's convenience

4.9 Perceived impact of the Scheme on the relationship between the children and the other parent

4.10 Perceived impact of the Scheme on the relationship between the custodial parent and the child's other parent

5.1 Non-custodial parent's perception of information or help provided by the Child Support Agency according to payment or non-payment of child support

5.2 Weekly maintenance due per child as a proportion of non-custodial parents' income by number of children

6.1 Probability of maintenance default over time

Appendices

A1-1 Pre-Scheme sampling frame

A3-Attachment 1: Average maintenance received

A3-Attachment 2: Percentage of sole parents receiving maintenance

FOREWORD

The Australian Child Support Scheme, introduced by the Commonwealth Government with all-party agreement in July 1988, is arguably the most important policy affecting family breakdown since the Family Law Act 1975 itself. For it reasserts and gives more workable reality to the principle that both parents of a dependent child continue to be financially responsible beyond the breakdown of a parental relationship.

Rather than leave the payment of child maintenance to the whims of angry parents, or to the unequal power relationships between men and women, lawyers and judges, or to leave the enforcement of payments to variably effective State agencies, the new Scheme put in place an administrative system of collection and payment and (more recently) a standard formula based on income levels to improve and maintain adequacy in relation to the costs of children.

Prior to the new Child Support Scheme, over 70 per cent of children eligible for maintenance were receiving no payments at all from their non-custodial parents. Even those who were, averaged only about $24 per week, an amount clearly out of line with this Institute's research on the minimal costs of children (Lovering 1984) and clearly a major contributing factor to the rising incidence of poverty for women and children in Australia. This made a mockery of the law and caused widespread public dissatisfaction with the increasing cost of government social security benefits.

Action to redress this situation required a deal of political courage. There were counter arguments to the anti-welfare, private responsibility view. The Family Law Act 1975 had removed 'fault' from divorce procedures, had made it possible for women to leave a bad marriage without the fear of destitution because supporting parent benefits were available. Divorce carried an implicit social cost that, it was argued, legitimately lay with the government which promulgated the Act. The Child Support Scheme could be seen as a move away from public responsibility for private actions permitted by the law towards private responsibility for the consequences of family breakdown.

The Scheme in fact draws an uneasy balance between public and private responsibility. Because so many parents were ignoring their private and ongoing financial obligations to children, the weight shifted to the private end of the scale, with public benefits being adjusted accordingly. But the employment and income status of the 'liable' parent still involve anomalies and difficulties.

As well, the Scheme focuses on the financial responsibilities of both parents after a partnership breakdown and has implications for other aspects of parenting such as custody, access and the ongoing quality of the relationship between each parent and the child. A continuing criticism of family law administration is that this latter side of the equation has not been addressed adequately. Many fathers claim they are made into 'second-class parents' because they are awarded custody of children less frequently and because access arrangements are not always observed or enforced with equal zeal. In contrast, they also hold, the Child Support Scheme makes them 'first-class payers', driving them into poverty and restricting their chances of establishing a new family. While the flaw in this general argument is the fact that three-quarters previously paid nothing to their children and not many men apply for custody, there is a strong case for better access provisions under the law and a parallel assertion of continuing responsibilities for social contact and support of both parents.

The Family Law Council has addressed this matter and doubtless it will be followed up by the proposed Parliamentary Inquiry into the Family Law Act. The point here is that the Government faced this controversy squarely in implementing the new Child Support Scheme, and must continue to do so.

This evaluation has been able to address the early impacts of Stage One of the Scheme. It was not designed to look at the application of the Stage Two administrative formula. Yet the findings bear strongly on the policy implications of Stage Two, because recipients of child support are now split across several different administrative procedures and the confusion and inequity which follow from these disparities must be addressed.

In the majority of cases, parents still reach a consent agreement on child support, custody and access arrangements. This is highly desirable and is one of the key achievements of the Family Court system. But the decision to implement the new Child Support Scheme in two stages has meant that those who do not reach consent, and where social security benefits are involved, now fall into two groups. As this evaluation shows, the Stage One group have a greater likelihood of having child support collected and paid. That too is a plus. The amounts, however, are still often based on pre-Scheme orders or agreements which are manifestly inadequate given inflation and given more recent Court orders to other children which are more realistic about the actual costs. On top of the pre-Scheme and Stage One situations, we now have a group of Stage Two families where the amount of maintenance paid is based on an administrative formula automatically calculated to cover changes in the non-custodial parent's level of income.

This Monograph suggests that very serious consideration should be given to widening the eligibility provisions for Stage Two assessment, so that all children of separated parents are better covered and disparities between groups are reduced.

The evaluation's overall findings are positive and indicate that Australia has moved in the right direction. Amounts collected have increased to $31.29 per week per child. The Scheme has removed the anomaly of government benefits being used to reduce amounts paid by non-custodial parents and has resulted in substantial savings to the public purse.

Problems still exist in the administration of the Scheme. Stage One has not meant change or improvement in levels of child support for the majority of pre-Scheme cases. Over 40 per cent of them had, and have, no Court-enforceable maintenance entitlement. To return to Court for an order is costly and stirs old wounds.

Application of the maintenance income test to custodial parent pensioners has hurt as many people as have benefitted from that test. Delays between registration with the Child Support Agency and actual payment are still of concern, and registration does not guarantee receipt of child support. In the real world of economic recession, many non-custodial parents are out of work and cannot pay, so more flexibility is essential here. As indicated above, the later introduction of Stage Two with its chance of higher (and indexed) amounts is resented by those locked into Stage One arrangements.

Perhaps the most disturbing findings of this evaluation, however, are those relating to non-custodial parents, mostly fathers. They have a low level of understanding about the Scheme and are on the whole negative about its operation. The Institute found response rates to questionnaires lower for these men, despite their expected wish to express strong views about the Scheme. Those who did respond highlighted their financial problems but more often their dissatisfaction with other parenting arrangements after separation. Access difficulties and the reported negative impact on their links with children need further investigation.

In my view, a full-scale evaluation in two or three years' time will be required to assess properly the impact on parent–child relationships of the Child Support Scheme as a whole. In the case of the Institute's evaluation, follow-up of our sample only 12 months after their first contact reveals initial reactions and is suggestive of possible effects, but it cannot show reliably the longer-term effects on children and parenting arrangements. Since this should be our major concern, as opposed to whether or not the Scheme saves money (which it does), the Institute will urge strongly that a longer-term evaluation study be done.

The report's main recommendations come at a time when they can be examined by the Joint Select Committee on Certain Aspects of the Operation and Interpretation of the Family Law Act 1975. The Institute is pleased to have been able to contribute again in this way to the public debate.

I want to offer high praise to the staff team responsible for this evaluation study. Its logistics have been difficult and have been handled with high professionalism and integrity. Overall, some 100000 questionnaires have

been mailed out. Data from 15 260 respondents, plus data from the Child Support Agency have been analysed efficiently. The preservation of confidentiality on such a sensitive issue was crucial and has not been breached. Difficult phone calls about issues only the Family Court, or Department of Social Security or the Child Support Agency, could resolve have been handled sensitively and successfully by our staff. The report is detailed, complex and at times difficult, but it addresses all the issues raised in the Government's broad brief for the evaluation and has very far-reaching implications for policy and administration.

I would also like to express the Institute's appreciation to others who guided and contributed to the study. Justice John Fogarty and his indefatigable efforts with the Child Support Evaluation Advisory Group to work through such a major social reform has been of central importance. The Steering Committee for this evaluation included representatives from the Child Support Evaluation Advisory Group, Department of Social Security, the Child Support Agency, Attorney-General's Department, and the Department of Finance, and their comments have been invaluable.

Data made available by the Child Support Agency and the Department of Social Security have enabled us to put our sample findings in the context of the whole child support and social security systems and we are appreciative of that assistance.

Finally, this report needs to be seen in the wider context of changing family structures and laws affecting families. Such changes are not peculiar to Australia alone, but Australia is unique in having a unified system of family law, an Institute which has monitored such changes now for over a decade, and a political system in which family policies are given more than lip service. Research information accessible to all political groups and to the wider public and the ability to stand aside critically from the issues so that judgements can be made and new directions suggested are the lifeblood of an active democracy. In all our studies, we hope to raise more questions than we can answer. I trust this report does that and will lead to better understanding of what can be done to ensure that children and families do not suffer unnecessarily after the breakdown of a parental relationship.

Don Edgar
Director
Australian Institute of Family Studies

1

BACKGROUND, FINDINGS, RECOMMENDATIONS

MARGARET HARRISON AND GREGG SNIDER

In 1987, the Australian Institute of Family Studies was commissioned by the Commonwealth Government to evaluate Stage One of its proposed Child Support Scheme, designed to collect money owing following a court order or approved agreement for the payment of child support. The evaluation was conducted in two phases.

This chapter summarises the major characteristics of the Child Support Scheme and the background, features and findings of both phases of the evaluation. It is intended to link the Institute's interim and final reports, to discuss the features of the Scheme which have been implemented since the interim report was published, and to foreshadow future developments. Details of the methodology employed, the sampling, response rates and weighting are contained in Appendix I of this report.

Background

In the first phase of the Institute's evaluation, data were collected from parents who were eligible to pay or receive child support on the basis that the parents were living apart from each other, and that this eligibility preceded the introduction of the reforms (the pre-Scheme sample). These were complemented by the responses of those who registered within the first few months of the life of the Child Support Agency (the early registrant sample). Results of the first phase of the evaluation were published by the Institute as an interim report, *Who Pays for the Children?* (Harrison, Snider and Merlo 1990).

The second and major phase of the evaluation is the principal topic of this book. It involved another round of responses from the custodial parent pre-Scheme sample, plus information from registered custodial and non-custodial parents where support was and was not being paid, from those whose partner or who themselves had opted out of the Scheme, and from

employers. As in *Who Pays for the Children?*, this book also includes relevant data provided by the Child Support Agency.

AIFS evaluation

As *Who Pays for the Children?* explains, the Institute's proposal for the evaluation of Stage One was submitted in early 1987. Although the sampling was finalised some time later, and the subsequent decision to implement the reforms in two stages altered the parameters of the project somewhat, the research issues remained the same.

- To measure the impact of the new Scheme on the personal and household incomes of both the custodial and non-custodial parents.
- To assess whether the changes in the levels of child support orders are related to changes in legislation or procedures relating to social security entitlements.
- To assess the impact that the new scheme may have on property settlements and on irregular or lump-sum payments such as school fees, medical expenses and so on.
- To consider the effects that the new scheme has on the numbers and amounts of social security payments, the impact of the income tests on child support, and the work incentives or disincentives of the scheme.
- To examine the impact of the scheme on broader aspects of parenting.
- To consider key differences across the population, such as social security recipients and others, nuptial and ex-nuptial cases, orders from magistrates courts and Family Courts, cases included in the scheme as well as those who opt out and those without an order, State and rural differences and differences according to the relative income of the two parents.
- To make estimates of savings in social security payments.
- To assess the impact of the scheme of employers and on employer–employee relations including administrative difficulties.

In conjunction with these research issues, the objectives of Stage One of the Scheme set out in the Explanatory Memorandum to the Child Support Bill 1987 (Howe 1987) have always influenced the design of the Institute's evaluation and the issues it has addressed. These objectives are to ensure that:

- non-custodial parents share in the cost of supporting their children, according to their capacity to pay;
- adequate support is available for children of separated parents;
- Commonwealth expenditure is limited to what is necessary to ensure that those needs are met;
- neither parent is discouraged from participating in the workforce;
- the overall arrangements are simple, flexible and respect personal privacy.

In a Briefing Kit issued in March 1988, the Department of Social Security provided five specific aims of Stage One of the Scheme. These were described as:

- to increase substantially the number of sole-parent families receiving child maintenance payments;
- to provide an effective mechanism for court orders for child maintenance to be enforced;
- to help ensure maintenance payments are received regularly and on time;
- to provide for more adequate levels of maintenance payments to be set in Court maintenance orders made after the start of the Scheme;
- to relieve taxpayers of a substantial burden by ensuring non-custodial parents accept a fair share of financial responsibility for their children.

Observations from interim report

In November 1989, after 18 months of the operation of the Child Support Scheme, just under 30000 cases had been registered with the Child Support Agency for collection. The Institute estimated that this represented approximately 5 per cent of the 5–600000 custodial parents eligible to receive child support payments on the basis that the other parent of their child(ren) lived elsewhere.

Agency registrations showed that changes in the amounts of child support awarded between 1979 and early 1988 were consistent with movements in the Consumer Price Index. Since then an increase of about $5 per week per child from those movements could reasonably be attributed to the Scheme's introduction.

Nevertheless, there were a number of 'old' orders for very small amounts which custodial parents had not varied. They appeared to be reluctant to take the necessary court action which would enable them to do so, and the burden of improving their position under Stage One fell on those who, in general, could least afford it.

The pre-Scheme respondents provided baseline data from which the impact of the Scheme could be measured. As is shown in Chapter 3 (Figure 3.1), a minority (34 per cent) of custodial parents were receiving regular payments for their children before the introduction of Stage One. Less than half (40 per cent) had court orders or registered agreements in place which would have enabled them to register with the Agency immediately. In addition, 24 per cent reported specifically that they had never sought any support from their child's other parent, and 23 per cent had not managed to have any order or private agreement put in place.

Those who were actually receiving payments were receiving on average less than $24 per child weekly.

There were distinct trends associated with the receipt of maintenance for this pre-Scheme group:

- custodial mothers were significantly more likely than custodial fathers to be paid;
- custodians who had been married to their former partners were more than twice as likely to be receiving payments than those who had not;
- the likelihood that maintenance was due or paid was greater the longer

parents had lived together and less the longer they had been separated;
- the more frequent the access visits of the non-custodial parent, the greater was the likelihood of maintenance being paid;
- the higher the value of family property at the time of separation, the greater was the likelihood of maintenance being paid.

Custodial parents in the pre-Scheme sample were generally unhappy with their maintenance arrangements, although those receiving payments were less dissatisfied than were those not receiving. A large proportion of these parents supported increasing the amounts paid for child maintenance, using the taxation system to collect maintenance, requiring those receiving pensions or benefits to seek maintenance and relating the amount of maintenance to the income of the non-custodial parent.

In contrast, non-custodial parents were quite satisfied with the arrangements made for their children's support, although they criticized the courts' enforcement ability and procedures for varying maintenance. They disagreed with the Child Support Scheme as a whole, although perhaps not as strongly as may have been anticipated.

The custodial parents in the early registrant sample had several major concerns about the operation of the Scheme. The start-up delay was frequently criticized, particularly by those who had been receiving regular payments before registration. Many custodians were also uncertain about the operation of the Scheme, the different roles played by the Department of Social Security and the Child Support Agency, and the operation of the maintenance income test. Those who had sought help from the Department of Social Security were generally unhappy with it, but there was a more positive attitude to Agency assistance.

Non-custodial early registrants were generally negative about their involvement with the Scheme. Their complaints ranged from their dissatisfaction that maintenance was enforced but access was not, that their financial position was inferior to that of the custodian, that the Agency was inflexible and impersonal in its dealings with them, and that they were treated like criminals by being brought into the Scheme.

Characteristics of Stage One

The history of the Child Support Scheme is set out in considerable detail in the Institute's interim report, *Who Pays for the Children?* As described there, the implementation of the major reforms which collectively establish Stage One of the Scheme occurred between April and June 1988.

Stage One of the Scheme concentrates on collection and payment of amounts payable as a result of court orders and registered agreements. The legislation necessary to implement the reforms involved amendments to the Family Law Act and the Social Security Act, and passage of the Child Support Act, subsequently renamed the Child Support (Registration and Collection) Act. Family Law Act amendments included removal of the provision which had allowed social security entitlements to be taken into

account when the quantum of maintenance was being determined, the giving of priority to child support over other financial commitments of separating parents, and the requirement that the court consider the capacity to pay periodic amounts before considering payments in the form of lump sums or property settlements. The payment of non-periodic amounts now requires specification as to the portions attributable to child support. This allows the financial circumstances of custodial parents to be known for the administration of the income test for sole parent pensions. The 1988 amendments also implemented the referral of powers from four States (Victoria, New South Wales, South Australia and Tasmania), which enabled ex-nuptial children in those States to be covered by the Child Support Scheme. Since then Queensland has also referred its powers and in January 1991 Western Australia adopted Stage Two of the Scheme.

Amendments to the Social Security Act involved the income testing of support payments regardless of their form, and the treatment of maintenance under a separate maintenance income test. The Departmental guidelines on the taking of reasonable action to obtain child maintenance were also reactivated (Chapter 4).

The Child Support (Registration and Collection) Act is the central feature of the Stage One reforms. It established the Child Support Agency within the Australian Taxation office, created the office of Child Support Registrar and specified that this would be held by the Commissioner of Taxation. The Act provides that registration of a maintenance liability converts the amount owing into a debt owing to the Commonwealth and payable to the Registrar. One effect of this is that the payee is no longer a party and his or her ability to take proceedings for late payment or default is extinguished. Collection is either by direct remittance to the Agency or by automatic deduction from wages or salary.

The money is subsequently made available to the Department of Social Security's trust account and the Department pays it monthly to custodial parents' bank accounts after any necessary pension adjustments have been made (Chapter 4).

Between June 1988 and mid-April 1989 there were restrictions on the population of parents eligible to register their liabilities with the Child Support Agency. The relevant regulations were repealed on 15 April 1989, and since then every order made or agreement registered or approved which creates a liability to pay periodic maintenance must be notified to the Agency, will be collected by the Agency unless the custodial parent opts out, and must be forwarded by the courts to the Agency. Orders or registered agreements made prior to June 1988 may be registered with the Agency, but non-custodial parents bound by these 'old' orders may choose to pay directly to the Agency rather than having amounts automatically withheld from their salary. Only custodial parents who are not in receipt of a pension or benefit may opt out of the Scheme, and those who have opted out may opt in at a later date if they so choose.

Overall, the Stage One reforms have integrated the social security,

taxation and family law systems. The collection and payment mechanisms established for Stage One apply to assessments made and agreements lodged under Stage Two of the Scheme.

Characteristics of Stage Two

Stage Two of the Child Support Scheme came into operation on 1 October 1989, between the first and second phases of the Institute's evaluation. The major characteristic of this important reform is the administrative assessment procedure, which quantifies the amount of support due according to the number of children requiring it and the taxable income of the non-custodial and, in certain circumstances, the custodial parent. The basic formula and a number of modifications to it are contained in the Child Support (Assessment) Act. The Act only applies to children who themselves or their siblings were born after 1 October 1989 or whose parents separated on or after that date. It allows an amount of formula-free income for the non-custodial parent, which increases where he or she has natural or adopted children. The application of the formula has resulted in the assessment of amounts averaging $8.50 per week per child higher than were awarded by the courts during the same period (Chapter 2).

Child support agreements may also be lodged with the Agency, and upon acceptance these have the effect of consent orders. As with the Stage One coverage, pensioners are in a somewhat different position from other custodial parents when it comes to inclusion in the Child Support Scheme. In the case of Stage Two, custodial pensioners may privately agree about the amount of support payable provided the amount agreed on is substantially similar to their entitlement under the formula.

One important feature of the administrative procedures is that the assessed liability is reviewed annually, relying on taxation returns, and a new level of child support is determined and becomes payable from 1 July each year. The eroding of values in orders/agreements has been a constant cause of complaint by custodial parents (Harrison, Snider and Merlo 1990, and Chapter 4 of this book). The annual review may be supplemented by subsequent adjustments in the liability where major events such as the birth of a child, unemployment or a major alteration in income affect the ability of the non-custodial parent to meet the assessed liability.

The removal of the legal system at first instance has taken place with only a small number of appeals being lodged in the first 18 months of the operation of Stage Two of the Scheme. The completely prospective nature of the administrative assessments procedures may have minimised public antagonism to the reforms, which is far less than was originally expected.

Recommendations of Child Support Evaluation Advisory Group

In August 1990, the Child Support Evaluation Advisory Group forwarded its report, *The Child Support Scheme: Adequacy of child support and coverage of*

the sole parent pensioner population, to the Minister for Social Security.

Among other things the Group was required to monitor the levels of orders or registered with courts for maintenance of children excluded from the Stage Two assessment process; compare the levels of such orders with the levels obtainable under the formula; and to monitor procedures to maximise the coverage of child support received by the sole parent pensioner population and ensure that the level of child support received by sole parent pensioners is adequate.

The Group found that parents and children excluded from the benefits of Stage Two are disadvantaged in two important ways. These were the fact that courts were ordering lower amounts than were being administratively assessed, and that the failure to adjust court ordered or agreed amounts annually and automatically had increased the disparity between Stage One and Stage Two cases.

On the issues of adequacy and coverage the Group therefore recommended that:

- the eligibility provisions of the Child Support (Assessment) Act be widened to include all children, regardless of their dates of birth or the date of their parent's separation;
- application for administrative assessment may be made at the discretion of the custodial parent;
- the non-custodial parent may object to such assessment on the ground(s) that it would be unfair having regard to prior financial arrangements made, present obligations to other persons, and other relevant matters.

The government has not yet responded to this report.

Summary of Findings

Major conclusions are described here, and are discussed in more detail in the chapters in which they are raised. Where appropriate, matters mentioned in the Institute's interim report, *Who Pays for the Children?* (Harrison, Snider and Merlo 1990) are discussed again in this book. Other matters, such as a detailed background to the Scheme itself and descriptions of pre-Scheme maintenance, are not dealt with a second time.

Findings of this second phase of the Institute's evaluation derive from examination of Child Support Agency registration data as at 17 December 1990, and from data provided by a total of 15 260 respondents to mailed questionnaires in 1988, 1989 and 1990.

1. As at 17 December 1990, the Child Support Agency had recorded a total of 49 980 valid Stage One registrations. Of these, 40 028 were then currently active and collectable. These represented a little less than 10 per cent of the pre-Scheme and Stage One population of custodial parents, and approximately 25 per cent of those with court-enforceable maintenance entitlements. (Chapters Two and Three)

2. Currently active collectable maintenance entitlements registered with the Agency as at 17 December 1990 averaged $52.15 per week per case. Excluding spousal maintenance, such entitlements averaged $50.77 per week per case, or $31.29 per week per child. (Chapter Two)

3. Examination of registered orders over time suggests an increase of between $9 and $12.50 per week which might be attributable to Stage One of the Child Support Scheme, that is, between $5 and $7 per week per child. (Chapter Two)

4. Comparison of Stage One maintenance entitlements set by the courts in 1990 with Stage Two determinations made during the same period suggests that Stage One entitlements are being made at around $8.50 less per week per child and $18 per week in total than are Stage two determinations. (Chapter Two)

5. Discounting the apparent increase in court-enforceable maintenance attributable to Stage One changes (point 3, above), increases in maintenance over time appear closely to reflect movements in the Consumer Price Index. Without periodic updating of court-ordered or approved amounts, however, even new court determinations will become increasingly inadequate with increases in the cost of living. (Chapter Two)

6. Stage One has proved cost-effective. The Department of Social Security has elsewhere suggested savings, for example, in 1988–89 of some $19.1 million as a result of the Scheme's introduction (later estimates include savings attributable to Stage Two as well). (Chapter Two)

7. For the large majority of the pre-Scheme custodial parent population (a population which will for some years represent the majority of custodial parents), maintenance situations have not changed as a result of the introduction of Stage One of the Scheme. This is not a result of what the Scheme provides, but of what is required of custodial parents if their situations are to be improved: only a small proportion have sought current-value variations in the amounts due; over 40 per cent have no court-enforceable maintenance entitlements. (Chapter Three)

8. As many custodial parent pensioners are worse off as a result of the application of the separate maintenance income test as have benefitted from that test. Neither its abolition, however, nor variations of the 'free area' amounts would appear to provide adequate protection. (Chapter Three)

9. Registration with the Agency does not guarantee receipt of child support. Just over half the registered custodial parents were receiving payments through the Agency, which is very similar to the proportion of all payers recorded by the Agency as paying by the due date. This proportion is the same as that of pre-Scheme custodial parents with court-enforceable maintenance entitlements reporting maintenance receipt in 1988 when first interviewed. (Chapter Four)

10. Twenty-four per cent of registered custodial parent respondents reported that they were receiving maintenance through the Agency but had not been doing so prior to registering. Only 5 per cent reported a cessation of maintenance since registering. (Chapter Four)

11. The initial delay between registration and payment remains a concern of custodial parents long after they have come into the Scheme. (Chapter Four)

12. The States are using different criteria to determine eligibility for fringe benefits such as housing and rent concessions. This is resulting in sole parent pensioners in some States facing additional losses once their income exceeds the allowable amount of the income test. (Chapter Four)

13. Many custodial parents have some understanding of Stage Two of the Child Support Scheme and resent their inability to be included in it. (Chapter Four)

14. There is a high incidence of unemployment among registered non-custodial parent respondents, and an obvious correlation between unemployment and the non-payment of registered maintenance obligations. This brings into question the flexibility of procedures available to the Child Support Agency to vary liabilities which are patently unable to be met. (Chapter Five)

15. Many non-custodial parents expressed dissatisfaction with their parenting arrangements after separation. They were also likely to report that their relationship with their children had deteriorated since registering with the Agency. Access difficulties were commonly referred to by those with grievances. (Chapter Five)

16. Non-custodial parents whose registered liabilities were finalised between 1988 and 1990 were required to pay, on average, approximately only half the amount that would be due under the formula. Although more non-custodial parents than custodial parents reported the payment of non-periodic maintenance, their amounts were generally small, spousal maintenance was rarely due or paid, and property settlements were unlikely to have affected maintenance obligations. (Chapter Five)

17. Non-custodial parents had a low level of understanding about the Scheme and were generally negative about its operation. (Chapter Five)

18. The number of custodial parents who, once registered, have chosen to opt out of the Scheme is low. Most who have opted out have done so because maintenance was already being collected. (Chapter Six)

19. A number, however, have opted out because maintenance was not being collected by the Agency. (Chapter Six)

20. Conversion from familiar weekly payment to monthly payment has created confusion and frustration on the part of some custodial parents, especially among those whose children's other parent was paying through a court or State collection agency. (Chapter Six)

21. Employers are not greatly affected by the requirements of automatically withholding maintenance payments from liable employees' earnings. Relatively few employers reported being inconvenienced or having incurred substantial costs attributable directly to the automatic withholding of maintenance. (Chapter Seven)

22. Whether liable parents have maintenance automatically withheld or are remitting directly to the Agency has little impact on the amount or

regularity of payment. It is too soon, however, to assess whether this will continue to be the case. Overall collection rates must be given time to increase, and the problem referred to in point 13 above of non-custodial parent inability to meet maintenance obligations if unemployed needs first to be addressed. (Chapter Seven)

23. Liable parents whose maintenance was deducted by their employer were more likely to perceive the Scheme in a positive way than were those making payments direct to the Agency. (Chapter Seven)

AIFS Recommendations

The principal recommendation of the Institute's evaluation of Stage One of the Scheme is designed to:

- provide maintenance eligibility for the approximately 200000 custodial parents who have no registrable maintenance entitlements for their children;
- ensure that all maintenance entitlements are determined equitably by removing the current division of custodial parents and their children into two classes;
- ensure a greater adequacy of support for Stage One children;
- provide for the periodic updating of maintenance entitlements to keep them in line with current economic conditions;
- provide a flexibility, not currently available to Stage One cases, without further referral to a court, for the Child Support Agency to deal non-punitively with non-custodial parents unable to meet their maintenance obligations;
- further reduce Commonwealth expenditure by continuing to redress the imbalance between public and private funding of the costs of children.

While mindful of the recommendations contained in the report of the Child Support Evaluation Advisory Group, the Institute's evaluation has come independently to the conclusion that administrative assessment of child support should be available to all separated parents, provided that appropriate appeal provisions are available, together with sufficient legal aid funds and adequate staffing and other resources for the courts and the Child Support Agency. The following is therefore strongly recommended:

1. That the eligibility provisions for Stage Two assessment should be widened to include all children of separated parents, not just those born after its current commencement date or those whose parents separate after that date.

Supplementary to this, it is further recommended:

(a) that the existing grounds for objection by non-custodial parents be expanded to allow a departure from administrative assessment on the ground of unfairness in that the capacity of the non-custodial parent to pay the assessed amount has been significantly reduced by the making

of prior financial arrangements, particularly those involving non-periodic payments and property settlements made in lieu of periodic maintenance;
(b) that the Child Support Agency be allocated sufficient additional staff and other resources to meet the demands of the resultant additional workload;
(c) that the availability of Stage Two assessment and collection to all custodial parents be the subject of an intensive public information and awareness campaign.

The second major recommendation to arise out of this evaluation was canvassed more tentatively in the Institute's interim report, *Who Pays for the Children?* It is designed to reduce initial delays in maintenance payment, to minimise possible duplication of administrative effort, and to remove potential client confusion between the roles of the Child Support Agency and the Department of Social Security.

2. As soon as administratively practicable, all Scheme-related maintenance collection and payment should be centralised within a single administrative organisation and, having regard to its collection and tracing capacity, the organisation responsible should be the Child Support Agency located within the Australian Taxation Office.

In less substantial terms, the Institute further recommends the following:

3. Further effort should be made to reduce the evident confusion among Agency clients, particularly among those who are also Department of Social Security clients, about the impact of the Scheme on weekly and monthly payments and its impact on entitlements to social security benefits.

4. Concerns of non-custodial parents that their children are often unaware of the contributions made for their support would be alleviated by the Child Support Agency providing an annual statement to both parents setting out the amounts paid during the previous year.

Finally, as a result of this evaluation, the Institute endorses legislation designed to provide ordinary Consumer Price Index pension adjustments to all Stage One cases, and to vary confidentiality requirements that previously precluded provision to custodial parents of some information necessary for their understanding of how maintenance collection was proceeding on their behalf.

2

CHILD SUPPORT AGENCY REGISTRATIONS

GREGG SNIDER

The Child Support Agency has on several occasions provided the Institute with data tapes of case registrations for analysis as part of the Child Support Scheme Evaluation. While data provided on these tapes provide no individually identifying information, they allow monitoring of maintenance collection in terms of amounts collected, of dates of registration and collection, dates of orders and agreements, custodial parents' pension status, the number of children for whom maintenance is collected, courts of jurisdiction and on those who choose to opt out of Agency collection.

This chapter provides summary information on data provided as of 17 December 1990 (except for registration, collection and payment timing which are discussed in Chapter 4). At that date, the Child Support Agency had recorded a total of 85 226 child and/or spousal maintenance registrations: 49 980 of these were registrations under Stage One of the Child Support Scheme, 34 913 were Stage Two registrations, and 333 were mixed Stage One–Stage Two registrations (that is, part of the collectable entitlement arose out of court-enforceable maintenance and part from a Stage Two assessment).

The current evaluation is only of Stage One of the Scheme. There are points, however, where comparison of Stage One and Stage Two registrations will prove useful in the evaluation of Stage One's effectiveness — particularly in terms of the adequacy of maintenance payment. In other respects, such as direct pay versus automatic withholding, Stage Two registrations rely upon Stage One provisions. Without in any way minimising the benefits likely to accrue from administrative assessment and application of the Stage Two formula, it cannot be emphasised too strongly that the Stage One provision of a non-judicial collection authority with access to the taxation system is the essential foundation of the Child Support Scheme as a whole. For these reasons, the analysis in this chapter will not be restricted solely to an examination of Stage One data. On the other hand, nothing presented here should in any-way be taken as an attempt to evaluate Stage Two procedures or the Stage Two formula.

Registrations

As at 17 December 1990, there were 58 987 currently active collectable (non-zero) maintenance entitlements registered with the Child Support Agency. Of these, 40028 (68 per cent) were Stage One registrations. Of Stage One cases involving some payment, 8 per cent were then inactive. A further 4 per cent of custodial parents had opted out of collection by the Child Support Agency. (Table 2.1)

Active and collectable child maintenance registrations averaged $31.29 per child per week, $50.77 for all children per week. There were only 2086 active and collectable spousal maintenance entitlements, which averaged $35.64 per week. Total active and collectable maintenance entitlements averaged $52.15 per week. (Table 2.2)

Sixty-nine per cent of registered custodial parents (Table 2.3) were in receipt of a maintenance income-tested pension or benefit. Non-pensioner collectable entitlements ($55.21 per week) were slightly higher than those for sole parent pensioners ($52.53) which, in turn, were substantially higher than the entitlements of those in receipt of a widow's ($39.99) or other ($44.81) pension. The difference in entitlement of sole parent pensions from that of other pensioners reflects the fact that, on the whole, their orders and agreements were more recently made, reflecting the tendency for new court-enforceable maintenance entitlements to reflect new values of the Consumer Price Index (see later).

Forty-seven per cent of registrations were for child maintenance for one child, 38 per cent for two children. Registered orders and agreements show a considerable 'economy of scale', with maintenance for one child averaging $33.97 per week, a further $26.41 for a second child, and $18.40 for a third. This graduation is considerably less steep than that contained in the Stage Two formula. On the other hand, typical formula amounts begin at higher absolute values. It should also be pointed out that the Stage One values will reflect the fact that there is a slight bias towards older orders and agreements as the number of children decreases (that is, as some children covered by the original entitlement become too old for continuing application).

Ninety-one per cent of active collectable maintenance entitlements were covered by court orders, 9 per cent by court-approved agreements. Maintenance ordered ($51.34 per week) was slightly higher than that agreed ($46.78).

Family Court orders and agreements comprised 41.5 per cent of registrations and averaged $56.42 per week, while Magistrate Court orders and agreements comprised 52 per cent of registrations, averaging over $8 per week less, at $48.03. The remaining 6.5 per cent of registrations were for still smaller amounts, at $43.77 per week.

Twenty-seven per cent of registrations were subject to automatic withholding (see also Chapter 7). Collectable maintenance subject to automatic withholding averaged $55.31 per week, while collectable maintenance to be

paid direct to the Agency averaged $50.99 per week. The difference in maintenance amounts may be due to a slight tendency for automatic withholding to apply more frequently in later rather than earlier cases.

Maintenance Adequacy

One of the primary aims (for custodial parents, perhaps the primary aim) of the Child Support Scheme has been 'to ensure that . . . adequate support is available for children of separated parents' (Explanatory Memorandum to the Child Support Bill 1987). There is, of course, no universally applicable measure of 'adequacy'.

If the assumption is made that prior to the Scheme's introduction, maintenance was inadequate on two grounds — the relatively small proportion of custodial parents receiving any maintenance at all and the trivial amounts being collected by those in receipt of maintenance — then increased adequacy could be inferred from an increase in the numbers receiving maintenance and the amounts received.

Child Support Agency data do not allow for an assessment of proportions receiving maintenance. This will be addressed in later chapters which examine the experience of Child Support Agency registrant respondents and pre-Scheme respondents interviewed in both 1988 and 1990. Data do allow consideration, however, of the actual amounts of court orders and court-approved agreements registered with the Agency. (Note: In its 1990 Report, the Child Support Evaluation Advisory Group presents the Child Support Agency's estimate that the values of recent unregistered orders and agreements are $4–$5 per child per week higher than those which are registered. Similarly, maintenance entitlements of those who have opted out of Agency collection are higher than entitlements registered for collection (Chapter 6).

Figure 2.1 plots active collectable maintenance entitlements (for all children) over time from 1975 to 1990. (Table 2.4 presents these figures in tabular form, together with maintenance per child, spousal maintenance and total maintenance, in terms both of their actual values and in $1990.) Two relevant observations may be made from that Figure.

First, there has been a significant increase in the amounts of maintenance specified in court orders and court-approved agreements since the implementation of Stage One of the Child Support Scheme. Court-enforceable maintenance entitlements determined in 1990 averaged some $12.50 more than would have been expected from a simple linear regression over time and $9.20 more than would have been projected from changes in the Consumer Price Index.

Second, except for the post-implementation increase in child maintenance, changes in the amounts of court ordered and approved maintenance have in recent years more or less reflected changes in the Consumer Price Index.

From these observations, two conclusions may be drawn.

First, the adequacy of court-enforceable child maintenance has improved during the period since the implementation of Stage One of the Child Support Scheme.

Second, unless some cost-effective mechanism (that is, in most cases,

Table 2.1: CSA registrations, June 1988 — November 1990: registration status as at 17 December 1990

	Stage I		Stage II		Mixed		Total	
To be collected:	$0	>$0	$0*	>$0	$0	>$0	$0	>$0
All Registrations	4381	45599	15799	19114	53	280	20233	64993
Status								
Active	2881	40028	8854	18704	36	255	11771	58987
(%)	(66)	(88)	(56)	(98)	(68)	(91)	(58)	(91)
Inactive	1397	3762	6935	—	16	5	8348	3767
(%)	(32)	(8)	(44)		(30)	(2)	(41)	(6)
Opted Out	103	1809	10	410	1	20	114	2239
(%)	(2)	(4)	(0)	(2)	(2)	(7)	(1)	(3)

*Includes ineligible applicants, cases which have been cancelled, cases in which the liability has been ended by election, etc.

Table 2.2: Active collectable (non-zero) Stage One maintenance entitlements, 17/12/90

$ per week	Per Child %	For all Children %	Spousal %	Total %
1–10	7.8	3.5	25.5	3.2
11–20	24.0	12.4	26.1	12.0
21–30	29.9	18.9	16.3	18.8
31–40	18.4	15.6	8.5	15.7
41–50	12.2	14.6	8.5	14.6
51–60	3.7	10.1	2.6	10.1
61–70	1.6	4.8	1.7	4.9
71–80	1.3	6.6	2.1	6.6
81–90	0.3	3.1	0.6	3.2
91–100	0.5	4.3	3.2	4.3
101–110	0.1	1.1	0.3	1.2
111–120	0.1	1.7	0.6	1.7
121–130	0.1	0.5	0.4	0.6
131 +	0.1	2.6	3.5	3.1
Number of Cases	39673	39655	2086	40028
Mean $ per week	31.29	50.77	35.64	52.15

something other than seeking a court order or court-approved agreement) can be introduced to allow for the updating of maintenance entitlements effectively pegged to out-of-date costs of living, then approximately 200000 custodial parents (Table 3.1) with court-enforceable maintenance entitlements excluded from administrative assessment and annual review will be denied the Scheme's full benefit. Indeed, so small are maintenance entitlements in many cases that it would be reasonable to suggest that the custodial parent might perceive little advantage to having them collected through the Scheme.

Stage Two Formula

Stage Two legislation provides for the administrative assessment of maintenance entitlements through the application of a formula which takes into account the incomes of both the custodial and non-custodial parents and the

Table 2.3: Active collectable (non-zero) Stage One maintenance entitlements, 17/12/90 by selected characteristics

		Maintenance ($ per week)			
	%	Per Child	For all Children	Spousal	Total
Pension Status					
SPB	57.9	30.84	50.94	33.07	52.53
Widow's	8.0	24.30	38.56	20.18	39.99
Other	2.8	28.34	43.11	43.41	44.81
None	31.3	34.07	54.07	60.28	55.21
Number of Children					
One	46.9	33.97	33.97	31.60	35.34
Two	38.3	30.19	60.38	32.74	61.73
Three	11.1	26.26	78.78	32.14	80.36
Four or more	3.7	21.64	89.65	44.30	91.46
Legal Status					
Order	90.9	30.85	49.93	34.33	51.34
Agreement	9.1	28.61	46.06	34.21	46.78
Court of Jurisdiction					
Family	41.5	32.77	54.77	47.90	56.42
Magistrate's	52.0	29.79	46.78	27.28	48.03
Other	6.5	27.58	43.19	32.18	43.77
Method of payment					
Withheld	26.8	32.90	54.25	34.66	55.31
Direct	73.2	30.69	49.49	35.93	50.99

number of children for whom maintenance is to be paid. It would not seem unreasonable — particularly in light of the fact that the formula was itself developed in an attempt to reflect the costs of children in separated families — to regard maintenance entitlements determined through the Stage Two formula's application as a possible measure of maintenance adequacy.

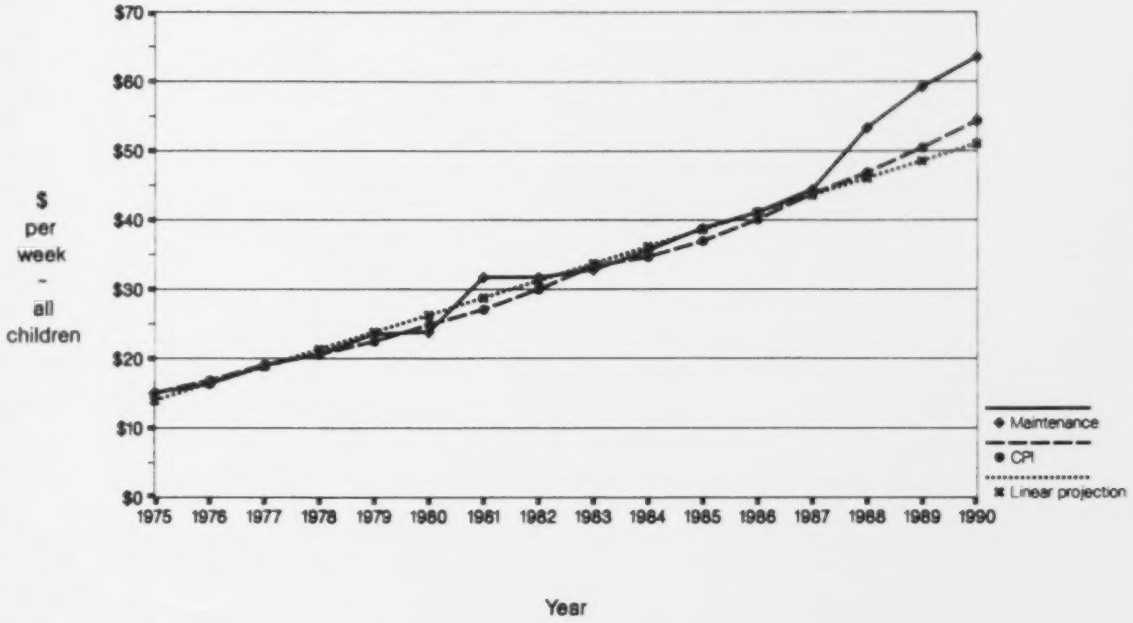
Data provided by the Child Support Agency demonstrate that, in spite of the increase in maintenance adequacy noted earlier, 1990 orders and agreements registered with the Agency provide substantially lower maintenance entitlements than do Stage Two assessments: $44 per week for one child versus $56; $76 per week versus $94 for two children; $102 versus $115 for three. In total, Stage One assessments averaged $64 per week for all children compared with $81 determined under Stage Two assessments. Since the current evaluation is not of Stage Two changes, it would be inappropriate here to examine these differences in any detail. On the other hand, it is apposite to the current evaluation to note that even those who have

Table 2.4: Active collectable (non-zero) Stage One maintenance entitlements, 17/12/90: nominal and real ($1990) maintenance by year of order/agreement

	Maintenance ($ per week) Nominal (Real)			
Year	Per Child	For all Children	Spousal*	Total
1975	13.88 (50.16)	15.04 (54.34)	16.46 (59.48)	19.33 (69.83)
1976	13.07 (42.08)	16.41 (52.84)	15.89 (51.19)	19.69 (63.40)
1977	15.41 (43.73)	19.05 (54.04)	15.92 (45.18)	22.33 (63.35)
1978	16.19 (42.62)	20.68 (54.42)	13.63 (35.86)	23.27 (61.26)
1979	17.07 (41.26)	23.55 (56.93)	13.66 (33.03)	25.99 (62.84)
1980	17.38 (37.95)	23.86 (52.08)	14.84 (32.40)	25.72 (56.14)
1981	19.94 (40.00)	29.06 (58.28)	14.40 (28.88)	30.57 (61.32)
1982	20.90 (37.85)	31.78 (57.57)	18.91 (34.24)	33.28 (60.29)
1983	21.00 (34.21)	32.43 (52.83)	15.97 (26.01)	33.24 (54.16)
1984	22.41 (35.14)	35.65 (55.89)	19.35 (30.34)	36.47 (57.17)
1985	24.04 (35.33)	38.85 (57.10)	20.33 (29.88)	39.66 (58.30)
1986	24.62 (33.37)	41.17 (55.81)	23.56 (31.80)	41.76 (56.61)
1987	26.90 (33.37)	44.42 (55.10)	24.65 (30.57)	45.02 (55.85)
1988	31.81 (36.86)	53.36 (61.83)	43.89 (50.85)	54.91 (63.62)
1989	36.13 (38.91)	59.27 (63.83)	56.24 (60.56)	61.19 (65.90)
1990	40.20	63.54	67.74	64.73
1990/1991 Stage Two Assessments	48.79	81.37	—	81.37

*Caution should be exercised when examining spousal maintenance values for any individual year due to the small number of cases represented. Only for each of the last four years (1987–1990) do the figures represent more than one hundred cases.

Figure 2.1: Active collectable (non-zero) Stage One maintenance entitlements, 30/11/90 - by year of order or agreement



recently-made Stage One maintenance determinations (that is, through the judicial system) have significantly smaller amounts payable than do those who have applied for Stage Two assessments.

Accepting the Stage Two formula as an operational measure of maintenance adequacy, it should be emphasised that, in spite of Stage One increases in maintenance amounts, undertaking the expense of seeking a court order or variation for those who have no court-enforceable maintenance or maintenance entitlements which are already outdated would still result, according to this analysis, in an inadequate level of maintenance.

One solution to this problem would be to allow for the application of the Stage Two formula and its administrative assessment to Stage One cases.

Commonwealth Savings

One of the Child Support Scheme's principal aims is to redress the balance of public and private responsibility for child support. Not only was it intended that children should be better off but, also, that the Commonwealth purse should bear less of the costs of providing child support through a reduction in the payment of Social Security pensions and benefits (strictly speaking, by paying out less than would otherwise have been paid).

The intent was that this should be accomplished in two ways: by increasing the amount of maintenance received by Social Security clients and potential clients; and by introducing a separate maintenance income test in addition to the pre-existing income test that would continue to apply to both maintenance recipients and non-recipients.

Here, the joint impact of these two changes on the extent to which social security payments are being reduced is examined. The potential impact of the separate maintenance income test on Social Security clients is examined in the next chapter (and, by inference, the income test's clawback potential).

In order to assess properly the effects of Stage One changes, it is necessary to compare the amount 'clawed back' under the new legislation with the amount that would have been saved had the previous legislation remained in force.

At the Institute's request, the Department of Social Security provided the estimates set out in Appendix 3. The Department estimated that, in 1988–89, $18m would have been 'clawed back' in child support under the pre-Scheme arrangements. This is based on actual data as at April 1988 on child support declared by the Department of Social Security pensioners. The material provides details of the methodology used by the Department to estimate savings in pension outlays that would have been made had the Scheme not been introduced, and hence the clawback directly attributable to the Scheme. As Attachments 1 and 2 to Appendix 3 show, both the percentage of sole parents declaring maintenance and the amounts being declared increased around 1986, against previous trends, when the possibility of a Child Support Scheme began to be discussed publicly.

The Department of Social Security then estimated, on the basis of pre-Scheme data and trends, the amount which would have been clawed back in future years in the absence of the Scheme: $20m in 1989–90 and $22m in 1990–91. Based on actual amounts of child support declared by the Department of Social Security pensioners, net of the $18m and $20m which it was estimated would have been collected anyway, the Department has reported that clawback directly attributable to the introduction of the Child Support Scheme was $19.1m in 1988–89 (Stage One only) and $35.7m in 1989–90 (including both Stage One and Stage Two).

There is, of course, a whole range of factors which may influence trends in the amount of child support collected: no estimates could be guaranteed accurate since what might have happened had the Child Support Scheme not been introduced cannot be known. Newly-awarded court-enforceable maintenance, for example, would presumably have continued to reflect changes in the cost of living. Other legislative and procedural changes will also have had an impact on Commonwealth savings — for example, enhanced review procedures for sole parents introduced in October–November 1986 and qualifying child legislation of September 1987.

Notwithstanding these limitations, the savings reported by the Department of Social Security are probably as reliable as any that could be estimated. In any case, it is clear that the introduction of the Scheme has resulted in substantial savings in pension outlays while, at the same time, increasing the number of children for whom maintenance is paid and, on average, the amounts of maintenance paid for them.

3

PRE-SCHEME POPULATION OF CUSTODIAL PARENTS

GREGG SNIDER

At the Scheme's inception in mid-1988, there were approximately 340000 sole parents (Appendix I). Examination of pre-Scheme respondent data suggests that at that time about 40 per cent of all custodial parents had repartnered. Combining these figures suggests that the pre-Scheme custodial parent population numbered some 5–600000: 340000 ÷ (1 – 0.4) = 566667. Assuming a rough equality between the number of pre-Scheme custodial parents who have since reconciled, or whose children have reached the age of 18 years or become independent, with the number of Stage One separations (1 June 1988 — 1 October 1989), suggests that there are still some 5–600000 Stage One custodial parents. Recent Child Support Agency analysis estimates there to be 500000.

Under existing legislation, it will, of course, be around 17 years before all Stage One cases expire and eight or nine before Stage Two cases outnumber those currently eligible only for Stage One protection.

As reported in the preceding chapter, slightly fewer than 50000 Stage One cases, only 10 per cent of the total Stage One population, were registered with the Child Support Agency as at the end of November 1990. While Stage One cases continue to be registered, Child Support Agency figures show a decline over time in the rates of registration.

The main focus of the Institute's evaluation is on the experiences and circumstances of registered parents, but this chapter examines the experiences and circumstances of most custodial parents. The interim report of the evaluation, *Who Pays for the Children?* (Harrison, Snider and Merlo 1990), examines in considerable detail the circumstances of custodial parents in 1988 and the precursors to their then current maintenance situation. Except by way of summary, this chapter will not replicate that earlier analysis. Instead, it will focus on the changes which have taken place to the Stage One population.

There have, of course, been Stage One separations since the pre-Scheme sample was drawn. Unfortunately, following discussions with both the Child Support Agency and the Department of Social Security, it was agreed

that any attempt to find a sample of those who had not registered with the Agency would be unduly costly and probably futile. At any rate, it would seem likely that, except for maintenance entitlements which should have kept pace with inflation (Chapter 2), these Stage One separations would have much in common with recent pre-Scheme parents who have not chosen to opt in to the scheme or those who, once registered, have chosen to opt out (Chapter 6).

Pre-Scheme Maintenance Situation

Who Pays for the Children? presented the following dismal picture of child maintenance payments in Australia prior to the introduction of the Child Support Scheme.

- Forty-seven per cent of custodial parents in Australia, prima facie eligible to receive child maintenance, had none payable to them: about half of these (24 per cent) had never sought it; the rest (23 per cent) had neither an agreement, privately-agreed or court-enforceable, nor an order for its payment.
- Nineteen per cent had an order or an agreement for the payment of regular child maintenance but were not receiving it: 7 per cent never had; 12 per cent once had but payments had ceased.
- Only 34 per cent of custodial parents were actually receiving regular, periodic, child maintenance. Those who were, were receiving slightly less than $24 per week per child.

This situation is set out graphically in Figure 3.1 which reproduces Figure 4.1 of the earlier report.

Situation in 1990

For the large majority of the pre-Scheme population, the situation did not change in the two years from 1988 to 1990. Examination of data provided by custodial parents who responded to this evaluation in both 1988 and 1990 shows a net increase of only 0.3 per cent in receipt of maintenance (Table 3.1) and an increase on average (across all custodians, whether actually receiving maintenance or not) of only $1.30 per week per child.

The reasons behind this general absence of improvement are not hard to find: collection rates have not increased dramatically, even among those registered (Table 3.3 and Chapter 4), only a small proportion have sought current-value variations in the amounts due, and over 40 per cent have no court-enforceable entitlement at all.

What these observations suggest is not that Stage One of the Child Support Scheme is not working; but that its undoubted benefits are being passed on to only a very small proportion of the custodial parent popula-

tion. Unless registrable maintenance entitlements can be determined for that 40 per cent who have none, and unless (as suggested in the previous chapter) entitlements which already are registrable can be raised to levels worth the effort of registering and collecting, it is likely that this will remain the case for many years to come.

The simplest way to overcome this would be to make available (subject to appropriate legal safeguards) the administrative assessment mechanisms of Stage Two to the whole of the custodial parent population.

Change

Table 3.2 examines the effects of selected variables on changes in custodial parents' maintenance circumstances between 1988 and 1990. Using the classification categories of the second half of Table 3.1, Table 3.2 specifically looks at the relationships, if any, between various independent variables and whether a parent's maintenance situation has deteriorated

Table 3.1: Maintenance situation, 1988 and 1990 (N=936)*

		1990			
1988	Paid	Not paid	Not due	Total	Population estimate
Paid	34.0	6.7	n.a	40.7	203 500
Not Paid	3.7	14.9	n.a	18.6	93 000
None Due	3.3	2.6	34.8	40.7	203 500
TOTAL	41.0	24.2	34.8	100.0	
Population Estimate	205 000	121 000	174 000		500 000**

1988	1990	%	Population Estimate
Paid	Not Paid	6.7	33 500
Not Paid	Not Paid	52.3	261 500
Paid	Paid	34.1	170 000
Not Paid	Paid	7.0	35 000
Net change		0.3	1500

*While 1326 respondents are represented in the 1988–90 panel, this analysis examines data from only those respondents who provided valid responses to each of a set of individual maintenance questions in both 1988 and 1990 and has been further limited by removing respondents who provided responses which might have been inconsistent between 1988 and 1990.

**If the larger estimate of 600 000 Stage One custodial parents were to apply, each of the population estimates provided in this table would need to be increased by 20%.

Figure 3.1: The maintenance process

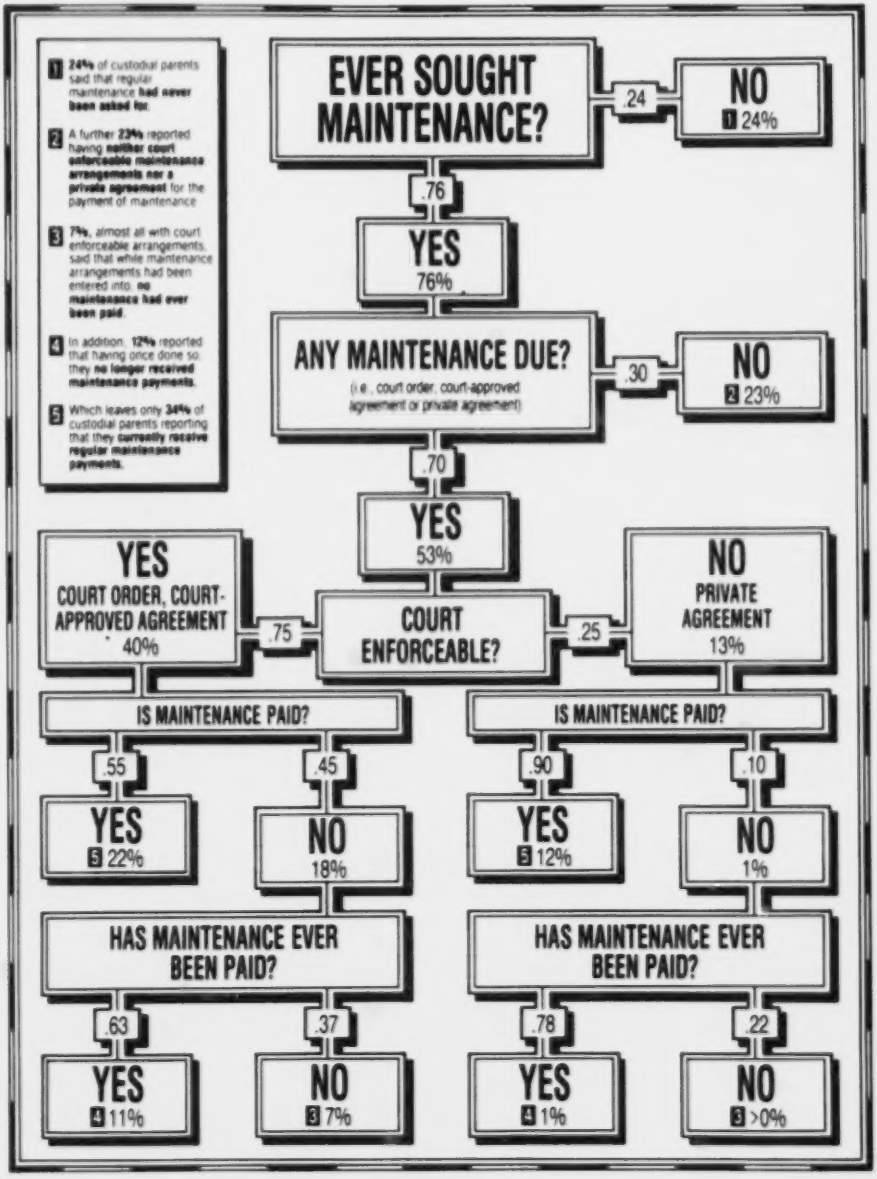

1 24% of custodial parents said that regular maintenance had never been asked for.
2 A further 23% reported having neither court enforceable maintenance arrangements nor a private agreement for the payment of maintenance.
3 7%, almost all with court enforceable arrangements, said that while maintenance arrangements had been entered into, no maintenance had ever been paid.
4 In addition, 12% reported that having once done so, they no longer received maintenance payments.
5 Which leaves only 34% of custodial parents reporting that they currently receive regular maintenance payments.
EVER SOUGHT MAINTENANCE?
.24
NO 1 24%
.76
YES 76%
ANY MAINTENANCE DUE?
(i.e., court order, court-approved agreement or private agreement)
.30
NO 2 23%
.70
YES 53%
YES COURT ORDER, COURT-APPROVED AGREEMENT 40%
.75
COURT ENFORCEABLE?
.25
NO PRIVATE AGREEMENT 13%
IS MAINTENANCE PAID?
IS MAINTENANCE PAID?
.55
.45
.90
.10
YES 5 22%
NO 18%
YES 5 12%
NO 1%
HAS MAINTENANCE EVER BEEN PAID?
HAS MAINTENANCE EVER BEEN PAID?
.63
.37
.78
.22
YES 4 11%
NO 3 7%
YES 4 1%
NO 3 >0%

Table 3.2: Effect of selected variables on maintenance status, 1988–1990

	Maintenance situation					
1988 — 1990 —	Paid Not paid %	Not paid Not paid %	Paid Paid %	Not paid Paid %	Net change	N
Age in 1990						
21–25	7.2	66.2	18.5	8.1	0.9	41
26–30	4.7	65.4	22.5	7.3	2.6	110
31–35	6.9	54.9	28.9	9.3	2.4	240
36–40	7.9	46.5	39.9	5.7	–2.2	262
41–45	5.8	44.7	43.6	5.9	0.1	166
46+	6.9	52.2	34.6	6.3	–0.6	110
Gender						
male	3.7	87.1	6.2	3.1	–0.6	95
female	7.1	48.2	37.3	7.5	0.4	838
Relationship to other parent						
married/divorced	7.5	48.1	37.1	7.3	–0.2	636
married/separated	5.2	44.4	45.6	4.8	–0.4	132
de facto/separated	4.4	68.2	12.6	14.8	10.4	85
other	5.6	80.4	14.8	0.0	–5.6	79
Number of children for whom maintenance should be paid						
1988 – one	5.3	61.5	12.6	6.6	1.3	437
two	9.0	42.3	15.9	7.5	–1.5	355
three	6.0	42.7	5.0	6.5	–0.5	103
1990 – one	6.0	60.2	27.9	5.9	–0.1	443
two	8.7	44.6	39.0	7.8	–0.9	344
three	3.7	43.1	46.5	6.7	3.0	118
Years lived with other parent						
< 1	4.1	77.7	14.2	4.0	–0.1	78
1–5	6.2	63.2	21.6	9.0	2.8	241
6–10	5.6	46.3	40.9	7.2	1.6	274
11–15	9.0	35.3	48.8	7.0	–2.0	199
16+	12.6	48.2	36.0	3.2	–9.4	78
*Year separated from other parent**						
before 1978	5.3	61.9	25.9	6.8	1.5	93
78–82	5.2	57.5	29.9	7.4	2.2	295
83–85	9.4	50.1	33.3	7.2	–2.2	260
86–87	5.9	43.7	42.9	7.5	1.6	201
1988	9.1	32.8	54.7	3.4	–5.7	51
Frequency of access visits						
weekly or more	4.3	35.9	50.5	9.3	5.0	124
monthly or more	6.3	31.0	50.4	12.3	6.0	204

continued

continued

	Maintenance situation					
1988 — 1990 —	Paid Not paid %	Not paid Not paid %	Paid Paid %	Not paid Paid %	Net change	N
2 or 3 times a year	9.2	41.0	42.8	7.0	−2.2	145
yearly or less	11.0	53.5	29.6	6.0	−5.0	109
never	4.8	75.9	15.6	3.6	−1.2	331
Pension status						
non-pensioner	5.9	51.2	35.6	7.3	1.4	609
pensioner	8.2	53.8	31.4	6.5	−1.7	324
Employment status						
employed	5.6	51.3	35.7	7.4	1.8	451
self-employed	2.4	62.3	29.5	5.7	3.3	61
not employed	8.6	51.6	33.4	6.4	−2.2	417
Current personal circumstances						
married	7.7	58.5	30.7	3.0	−4.7	296
de facto	3.5	52.7	36.0	7.9	−4.4	101
other relationship	5.6	43.7	37.9	12.7	7.1	128
no relationship	7.2	49.7	35.2	7.9	0.7	405
Residence						
capital city	6.9	45.3	39.2	8.6	1.7	447
major city/town	6.1	56.1	31.1	6.7	0.6	203
other	6.7	59.7	28.6	5.0	−1.7	267
*CSA registration***						
registered	15.7	36.7	27.1	20.5	4.8	145
not registered	9.8	29.9	54.2	6.1	−3.7	307
ineligible	2.0	71.0	23.4	3.5	1.5	481

*Birthyear of youngest child, if parents never lived together.
**Further broken down in Table 3.3

(paid in 1988 but not in 1990), improved (not paid in 1988 but paid in 1990), or stayed the same (either paid in both 1988 and 1990 or not paid in both 1988 and 1990). Net change within any variable category is calculated by subtracting the percentage whose situation has deteriorated from the percentage whose situation has improved. As mentioned earlier, the overall net change among the pre-Scheme custodial parent sample has been just 0.3 per cent.

The effect of registration with the Child Support Agency is presented last in Table 3.2 and is examined in greater detail in the following section. What is interesting to note in the present context, however, is that while 4.8 per cent more of those registered with the Child Support Agency reported an improvement in their maintenance situation than reported its deterioration (compared with 3.7 per cent fewer of those eligible to register but who did

Table 3.3: Impact of registration on custodial parent maintenance

	Eligible		*Ineligible*	
	Registered	Not registered	Private agreement	None due
Number of cases	145	307	158	323
Per cent	15.5	33.0	16.9	34.6
		Per Cent		
Received maintenance in 1988, but not 1990	15.7	9.8	6.2	–
Not received, 1988 or 1990	36.7	29.9	11.8	100.0
Received, 1988 and 1990	27.1	54.2	71.2	–
Not in 1988, but received in 1990	20.5	6.1	10.7	–
		Mean $ per week per child		
1988 maintenance entitlement	19.52	22.50	20.84	0
1990 maintenance entitlement	29.04	25.61	29.85	0
Maintenance paid in 1988	10.61	15.78	19.63	0
Maintenance paid in 1990	14.03	16.55	22.63	0
Difference in payment 1990–1988	+3.42	+0.87	+3.00	n.a
		Mean $ per week		
Respondent's income: all sources	212.36	282.43	259.93	297.87
Household income: all sources	325.98	547.87	444.68	508.06

not do so), several other factors appear to have been of greater significance.

The most noticeable impact on changes in respondents' maintenance situation is that made by the nature of the separated parents' former relationships. Those who were separated from a de facto relationship reported a net improvement of 10.4 per cent; those who had been married to their children's other parent experienced a negligible net deterioration in maintenance circumstances; while none of the custodial parents in the sample who had never lived with their children's other parent reported receiving maintenance in 1990 but not in 1988, 5.6 per cent reported the cessation of maintenance payment. One possible explanation of the greater net improvement of those previously in de facto relationships could lie in the fact that in 1988 a much smaller percentage reported receiving maintenance (and, conversely, a much higher percentage reported not receiving maintenance) than did those who had been married to their children's other parent. While this is also true of those who had never lived with their children's other parent, it is reasonable to assume that the pressures on the non-custodial parent to pay will diminish more rapidly over time than they would for those who had a more formal relationship with the custodial parent.

Another variable which appears to have had an impact on changes in maintenance payment (and which has consistently been shown in this and other studies to have an impact on payment itself) is the frequency of access visits by the non-custodial parent. Not only was maintenance more likely to be paid in 1988 by those who reported access visits at least once a month, but there was also a substantial net increase between 1988 and 1990 in the percentage of custodial parent receipt of maintenance when their children's other parent made at least monthly access visits.

The only other variable presented in Table 3.2 to appear of any significance to changes in maintenance status is the custodial parent's present personal circumstances. More of those currently partnered (married or de facto) reported a cessation of maintenance payment between 1988 and 1990 than reported not receiving maintenance in 1988 which was currently being paid. On the other hand, more of those not currently living with a partner reported an improvement in their circumstances between 1988 and 1990 than reported the cessation of maintenance payment.

Given that pensioners and beneficiaries were of particular concern as Stage One was being designed and implemented, the fact that there was a drop from 1988 to 1990 of 1.7 per cent of pensioners receiving maintenance is, at first glance, unfortunate. It is, however, also slightly misleading since, while the there is considerable turnover in the social security population, the figures in Table 3.2 refer only to those who are *currently* in receipt of pensions or benefits. Non-pensioners include many who were pensioners in 1988 and others who both commenced and terminated pensions and benefits in the intervening period. The remaining variables appear to have had no meaningful impact on changes in custodial parents' maintenance situations — the custodial parent's age and gender, the number of children for whom maintenance should be payable, the length of time the custodial parent had lived with the children's other parent, the year they separated, the custodial parent's employment status, and the size of the custodial parent's place of residence all appear to have negligible, if any, impact on whether there had been any change between 1988 and 1990.

Registration

As may be seen in Table 3.3, 15.5 per cent of the pre-Scheme custodial parent sample (32.1 per cent of those with court-enforceable maintenance entitlements) had registered with the Child Support Agency for maintenance collection by mid 1990. Of these, 47.6 per cent reported that maintenance was being received at the time of the 1990 survey. Those being paid were receiving their full entitlement averaging about $29 per week per child.

Including those not receiving maintenance, the average received by *all* registered pre-Scheme custodial parents was approximately $14 per week per child. While this amount is about $2.50 lower than that received by

parents who have court-enforceable maintenance not registered with the Agency and only just over half of that received by parents with private agreements (differences caused by differences in collection rates — 47.6 per cent, 60.3 per cent, and 81.9 per cent respectively), registered parents were receiving, on average, $3.42 per week per child more in 1990 than in 1988 compared with $0.87 more per week for those with unregistered court-enforceable maintenance and $3.00 per week more for those with private agreements.

Maintenance received accounted for 6.6 per cent of registered parents' personal income (4.3 per cent of household income), compared with 5.9 per cent (3 per cent) of those with eligible but unregistered entitlements and 8.7 per cent (5.1 per cent) of those with private agreements.

Table 3.4 compares registered with unregistered custodial parents across a wide range of selected characteristics. To summarise, registered parents were substantially less likely to report receipt of additional, non-periodic, maintenance (7.6 per cent in 1990) than were those with unregistered court-enforceable maintenance (17 per cent) who, in turn, were even less likely than those in receipt of maintenance arising out of a private agreement (33.1 per cent). Twelve and a half per cent of those reporting no regular maintenance entitlement reported receipt of some non-periodic maintenance. There was a decrease between 1988 and 1990 in all four of these groups in the proportion reporting non-periodic maintenance.

Table 3.4: Selected characteristics of registered and unregistered custodial parents

	Eligible		*Ineligible*	
	Registered %	Not registered %	Private agreement %	None due %
Both parents on birth certificate	96.6	96.3	93.8	81.0
Any non-periodic payments 1988	12.9	24.5	39.2	15.4
Any non-periodic payments 1990	7.6	17.0	33.1	12.5
Male	3.7	2.6	3.2	23.6
Obliged to seek maintenance	27.2	19.9	8.6	2.1
Prior court/State agency collection case	21.6	25.8	2.1	–
Advised by DSS to register	45.4	6.4	–	10.5
Obtained order to register	9.9	n.a	n.a	n.a
Plan to convert agreement to order	n.a	n.a	10.7	n.a
DSS advice to convert to order	n.a	n.a	7.2	n.a
Aware registrable if converted	n.a	n.a	78.3	n.a

continued

continued

	Eligible		*Ineligible*	
	Registered %	Not registered %	Private agreement %	None due %
Currently a pensioner	42.8	29.7	39.0	33.9
Currently employed	48.4	58.1	47.7	59.0
Age in 1988				
< 21	–	–	0.9	2.8
21–25	6.4	4.1	6.6	9.9
26–30	19.4	15.4	11.7	19.9
31–35	25.0	35.2	36.6	25.7
36–40	32.6	25.0	24.5	16.8
> 40	16.5	20.3	19.6	24.9
Number of children < 18 of former relationship				
one	34.3	45.8	39.6	58.9
two	46.0	41.2	36.9	28.5
three	16.3	10.8	22.1	8.2
four or more	3.3	2.3	1.3	4.4
Relationship to other parent				
married/divorced	73.6	84.5	56.4	56.1
married/separated	12.3	7.4	30.2	13.7
de facto/separated	8.7	5.1	9.2	12.9
never lived with	5.4	3.0	4.2	17.2
Access frequency				
at least weekly	8.8	9.4	32.4	10.4
at least monthly	25.9	28.6	27.6	12.1
every few months	17.1	18.9	14.6	13.1
yearly or less	13.3	12.5	8.2	12.8
never	34.9	30.6	17.1	51.6
Present personal circumstances				
married	18.3	41.6	22.7	33.0
de facto	6.9	11.8	12.1	11.2
other relationship	19.8	14.6	13.0	10.5
no relationship	55.0	32.0	52.2	45.3
Number of cases	145	307	158	323

The only significant gender difference is to be found in the fact that custodial fathers constituted 23.6 per cent of those without any maintenance due, compared with about 3 per cent of those entitled to maintenance.

Those with court-enforceable maintenance were the most likely to have been required under social security legislation to seek maintenance. Those registered were more likely (27.2 per cent) than those not registered (19.9

per cent). Those registered were substantially more likely (45.4 per cent) than those not registered (6.4 per cent) to have been advised to do so by the Department of Social Security, demonstrating the importance of continuing advice from the Department.

Ten per cent of those registered first obtained a court order so that they could register. Among those with private agreements, 10.7 per cent indicated that they planned to convert their agreements to court-enforceable maintenance entitlements in order to be able to register with the Agency, 7.2 per cent reporting that the Department of Social Security had advised them to do so. In spite of earlier participation in the current study (questionnaires had, in fact, provided some information about the Scheme), only 78.3 per cent were aware that their maintenance would be registrable if they converted their private agreements of court orders or court-approved agreements (that is, 21.7 per cent were *unaware* of this fact).

Those with registered maintenance entitlements were more likely than those who had not registered with the Agency to be pensioners and less likely to be currently employed. There was an insignificant tendency for them to be slightly younger, yet to have more children. They were less likely to be divorced from their former partner, more likely to have been married but separated. Non-custodial parent access frequency was more or less the same among the two groups with registrable maintenance entitlements, substantially less than among those with private agreements for the payment of maintenance.

Those with registered court-enforceable maintenance were extremely less likely (25.2 per cent) than those with unregistered court-enforceable maintenance (53.4 per cent) to be partnered (married or de facto).

In addition to that already reported, Child Support Agency registrants were provided with a list of seven possible reasons for registering with the Agency. Eligible non-registrants were provided with a list of 14 possible reasons for not registering. Each group was asked to indicate which, if any, of these reasons applied. Response distributions to these questions are presented in Tables 3.5 and 3.6.

Responses of those who registered suggest that over a third (36.5 per cent) were advised to do so by the Department of Social Security, somewhat less than those reporting such advice when asked directly (45.4 per cent — see above). This difference probably results from the different phrasing of the questions — 36.5 per cent say that Department of Social Security advice was *why* they registered; the earlier 45.4 per cent refers to those who say that they received such advice. Almost a quarter (23.4 per cent) reported taking such advice from a lawyer. More than a third (39 per cent) reported that one of their reasons for registering was that they had not been receiving maintenance previously, and 30.6 per cent report that they registered because they were not previously receiving their maintenance on time.

Of those who had not registered their existing court-enforceable maintenance, 34.1 per cent reported that they were unaware they could do so. This

is disturbing, particularly since they (like those with private agreements discussed earlier) had taken part in this evaluation's 1988 survey. One in ten reported not knowing how to do so. A smaller number (1.7 per cent) reported that the Agency had advised them they were ineligible, presum-

Table 3.5: Reasons for Agency registration*

Applied for registration because respondent . . .	%
was advised to apply by DSS	36.5
was advised to apply by a judge or court official	7.9
was advised to apply by a lawyer	23.4
was advised to apply by the other parent	1.2
was not receiving maintenance previously	39.0
was not receiving maintenance on time	30.6
wanted no contact with the other parent	20.9
had other reasons	29.5

*Multiple response variable

Table 3.6: Reasons for not registering with the Agency*

Not registered because . . .	%
respondent was not aware s/he could	34.1
respondent didn't know how to	10.3
CSA said respondent couldn't	1.7
DSS said respondent needn't bother	2.3
it was too much trouble	5.1
maintenance is paid anyway	37.6
respondent agreed with the other parent not to	1.7
respondent wants nothing to do with the other parent	17.4
respondent was concerned about government involvement	3.9
it might reduce maintenance	4.4
respondent was concerned about violence from the other parent	5.3
respondent was concerned it would increase access visit tension	10.3
information required is an invasion of privacy	1.7
maintenance is being collected by a court or collection agency	17.9
of other reasons	22.1

*Multiple response variable

ably prior to the repeal of the Child Support Regulations limiting eligibility in the Scheme's early stages. A similarly small number (2.3 per cent) reported that the Department of Social Security told them that they need not bother to do so, presumably because they were already receiving maintenance regularly, had been exempted from seeking maintenance because of a potential for non-custodial parent violence, or because it was recognised that the non-custodial parent could not or would never pay. Over a third indicated that they had not registered because they were receiving maintenance anyway. While in one sense this is the ideal situation, the likelihood that (even court-enforceable) maintenance is paid declines significantly with the passage of time (Chapter 6). While only one in 20 (5.3 per cent) reported that their non-registration was due to a concern about violence from the other parent and one in ten because of concern that it might increase tension surrounding access visits, these are nonetheless significant concerns for the people involved and must not be ignored by those making and administering social policy.

Reasons for registering and the concerns of those who have registered are examined in more detail and for a much larger sample in Chapter 4.

Tables 3.7 and 3.8 compare in some detail characteristics of pre-Scheme respondents who have registered with the Child Support Agency and who are receiving maintenance with those registered but not (yet) receiving any maintenance through the Scheme. Considerable caution should be exercised when examining these data since the number of cases represented is very small — 76 not receiving maintenance and 69 receiving it. Data presented must, therefore, be considered illustrative only. Data from much larger

Table 3.7: Registered custodial parents receiving and not receiving maintenance: maintenance and income

	Not receiving maintenance	Receiving maintenance
Number of cases	76	69
Per cent	52.4	47.6
	Mean $ per week per child	
1988 maintenance entitlement	19.45	19.59
1990 maintenance entitlement	26.66	31.66
Maintenance paid in 1988	7.06	14.52
Maintenance paid in 1990	–	29.50
Difference in payment 1990–1988	−7.06	+14.98
	Mean $ per week	
Respondent's income: all sources	178.74	250.22
Household income: all sources	283.60	371.70

Table 3.8: Selected characteristics of registered custodial parents receiving and not receiving maintenance

	Not receiving maintenance %	Receiving maintenance %
Both parents on birth certificate	95.7	97.5
Any non-periodic payments 1988	16.4	9.0
Any non-periodic payments 1990	9.8	5.2
Male	3.7	3.8
Obliged to seek maintenance	27.9	26.3
Prior court/State agency collection case	7.1	37.6
Advised by DSS to register	44.5	65.5
Obtained order to register	12.0	7.7
Currently a pensioner	45.7	47.6
Currently employed	44.9	52.1
Age in 1988		
< 21	–	–
21–25	5.8	7.0
26–30	24.3	14.0
31–35	19.8	30.8
36–40	31.8	33.5
> 40	18.3	14.5
Number of Children < 18 of former relationship		
one	37.7	30.6
two	41.5	51.1
three	17.0	15.6
four or more	3.9	2.7
Relationship to other parent		
married/divorced	68.1	79.6
married/separated	13.4	11.1
de facto/separated	12.0	5.0
never lived with	6.5	4.3
Access frequency		
at least weekly	10.5	7.0
at least monthly	22.7	29.4
every few months	12.7	21.7
yearly or less	14.9	11.6
never	39.2	30.3
Present personal circumstances		
married	19.8	16.7
de facto	4.6	9.3
other relationship	15.0	25.2
no relationship	60.6	48.8

samples are discussed in the following two chapters.

On average, including those not receiving maintenance prior to registration, those not now receiving maintenance were receiving $7.06 per week per child in 1988. People receiving maintenance through the Scheme report receipt, on average, of $29.50 per week per child, $14.98 more than in 1988 (including those not then receiving any). Those not receiving registered maintenance have personal and household incomes of about $100 a week less than those receiving maintenance (about $40 a week if maintenance is discounted). Maintenance accounts for 12 per cent of the personal and 8 per cent of the household incomes of those collecting registered maintenance.

A larger proportion of people not receiving their registered maintenance entitlements report receipt of non-periodic maintenance than of those receiving their entitlements. Those receiving are far more likely (37.6 per cent) than those not receiving (7.1 per cent) to have previously received maintenance through a court or State collection agency. They were also more likely to have been advised to register by the Department of Social Security (65.5 per cent compared with 44.5 per cent).

Operation of Maintenance Income Test

Prior to the introduction of the Child Support Scheme, maintenance income was combined with other income for the purposes of income-testing Commonwealth pensions and benefits. By providing separate income tests, the Scheme provides, first, that ceilings on earned income are higher than previously and, second, that after the first $10 of maintenance received by custodial parents plus $5 per child (a flat $15 for those receiving only spousal maintenance), Social Security entitlements are reduced by 50 cents in the dollar.

A savings provision is applied to 'old' Department of Social Security clients which ensures that the dollar amounts of their entitlements will not be reduced; but, at the same time its 'real' value would decline relative to the entitlements of 'new' pensioners and beneficiaries since they would not be allowed to benefit from periodic increases in pensions and benefits until such time as the savings provision would disadvantage them in terms of the actual dollar amounts of their entitlements. (CPI adjustments will be made for all pensioners from July 1991.)

Table 3.9 allows an assessment of the impact of the new income testing provisions on pensioner income. No attempt is made to account for the savings provision because it does not apply to new pensioners and because its value declines progressively over time. Data presented in that table were provided in 1988 by 1610 pre-Scheme pensioner respondents. Calculations assume, optimistically, that under the new arrangements all pensioners would receive their full maintenance entitlements, if any.

Overall, the picture presented is favourable to the Scheme. Pension

Table 3.9: Joint effect of maintenance collection and the maintenance income test on pensioner income

	N	%	Respondent's weekly income	Weekly maintenance Paid	Weekly maintenance Due	Weekly pension Old	Weekly pension New	Total weekly income Old	Total weekly income New	Weekly income difference
Pensioners receiving maintenance										
if household income = 0	414	25	0.00	39.52	40.25	193.65	184.32	233.17	224.57	−8.60
if household income > 0	203	12	118.36	48.08	48.68	136.57	141.22	303.01	308.26	5.25
total, if receiving maintenance	617	37	38.94	42.34	43.03	174.87	170.14	256.15	252.11	−4.04
Pensioners not receiving maintenance										
court enforceable maintenance	228	14	42.56	0.00	35.25	173.56	165.02	216.12	242.83	26.71
privately agreed maintenance	25	2	23.39	0.00	37.82	177.47	167.49	200.86	228.70	27.84
no maintenance due	740	46	34.34	0.00	0.00	171.80	171.80	206.14	206.14	0.00
total, if not receiving maintenance	993	63	35.95	0.00	9.05	172.35	170.14	208.30	215.14	6.84
Total	1610	100	37.10	16.23	22.07	173.32	170.14	226.65	229.31	2.66
Total, if maintenance due	870	54	39.45	30.03	40.85	174.60	168.73	244.08	249.03	4.95

entitlements of the 46 per cent with no existing maintenance entitlement would be unaffected. The joint effects of maintenance receipt by those not previously receiving maintenance and the new income testing arrangements would benefit both pensioners (by about $27 per week) and the Commonwealth (by about $9 per week). Revised income testing arrangements benefits the 12 per cent who were receiving maintenance pre-Scheme and who also had additional non-pension household incomes by slightly more than $5 per week. One group of pensioner parents, however, suffers a reduction in (real) income as a result of the application of the two income tests: pensioners receiving maintenance pre-Scheme but who otherwise relied completely on pensions or benefits average $8.60 per week less income than they would have had under previous income testing arrangements. This is inconsistent with the overall aim of the Child Support Scheme to improve the financial position of the children of separated parents.

The disadvantage suffered by parents previously receiving maintenance but no other non-pension income may be overcome in at least two ways: first, by reverting to pre-Scheme income-testing arrangements (which would work to the disadvantage of those pensioners with additional non-pension household income, representing a work disincentive); second, by altering the terms of the separate maintenance income test — the parental component ($10) could be increased, the per child component ($5) could be increased, and/or the clawback percentage (50 per cent) could be reduced.

One of the reasons given for the introduction of a separate income test was that it could provide additional incentives for custodial parents to enter the workforce or to increase their workforce participation. It is too early — particularly in light of fluctuations in the job market since the Scheme's introduction — to assess its success or otherwise in this regard (and its potential success relies more on the values of Stage Two assessments than on lesser pre-Scheme entitlements). For this reason, it is too early to consider abolition of the two-test system.

It would not be unreasonable, however, to assess the maintenance income test itself. Its three variable factors (parental component, child component, and clawback percentage) may be rearranged infinitely; but, since the impact of any particular clawback percentage depends significantly on the other two parameters in the equation, and since the current percentage is consistent with that applied elsewhere in social security legislation, variations will be examined here only for the base figure and the per child amount.

Table 3.10 sets out the percentages of respondent pensioners whose income would drop if maintenance payable was collected and each of the two dollar amounts in the clawback equation were varied in $5 increments from $0 to $35. This is presented graphically in Figure 3.2. Unless the free area provided by the two dollar amounts is set extremely high, it will not be possible to ensure that no pensioner is disadvantaged by the additional income test. For this to be the case, the free area would have to equal the

largest amount of maintenance being received by any pensioner not also receiving some other form of non-pension income. In the current sample of 1610, one respondent reported receiving $140 in maintenance per week for her one child. There may be even more extreme examples among Social Security clientele.

The curves in Figure 3.2 tend to level out when only 1–2 per cent of respondents would be disadvantaged by the application of the separate maintenance income test. Taking this as a reasonable maximisation of benefit, it is possible to suggest what might be regarded as optimal clawback parameters (optimal, that is, for custodial parents — the impact on Department of Social Security expenditure is discussed later).

Base dollar amount	Per child dollar amount	Per cent disadvantaged
5	35	1.3
10	30	1.3
15	25	1.4
20	25	1.2
25	20	1.3
30	20	0.9
35	15	1.0

Generally, the free area of maintenance should be determined primarily by the per child amount rather than the base amount (which is essentially a custodial parenting allowance not unlike allowances already made in social security legislation and, for some, by way of sole-parent tax rebates). For this reason, the $5 plus $35 per child option might be examined further. However, since the $10 plus $30 per child option would require changing only one of the current parameters, a better approach to minimising the number of pensioners disadvantaged by the new maintenance income test would be to apply the formula: Clawback = 0.50 × (Maintenance − $10 − ($30 per Child)). Table 3.11 replicates the analysis presented in Table 3.9 to demonstrate the impact on different pensioner groupings of the application of this clawback equation.

Application of such an equation to determine the free area of maintenance would, however, has the additional effect of imposing a burden on Commonwealth funds in excess of pre-Scheme outlays. While data held by the Department of Social Security should allow for an accurate simulation of the real effects of any changes to the clawback formula, the data in Tables 3.9 and 3.11 allow for one, very rough assessment of the potential reduction in clawback.

The bottom row in each table assesses the impact of a separate maintenance income test on, among other things, respondents' weekly pensions for those with some maintenance entitlement (court-enforceable or privately agreed). Collection of the full amount is assumed for all respondents.

Applying the existing maintenance income test (Table 3.9) would result in an average reduction in pension entitlements from $174.60 per week to $168.73, a reduction of $5.87 per week (while, in spite of the test, proper maintenance collection would still result in a net increase in pensioner income of some $4.95 per week, on average). Against this, application of the alternate clawback equation just presented (Table 3.11) would result in an *increase* of $4 in their average weekly pension from $174.60 to $178.60 per week. That is, application of the alternate clawback formula, rather than the one which is now applied, would cost the Commonwealth an average of $9.87 per week per pre-Scheme and Stage One pensioner who was receiving a full maintenance entitlement.

If there were, say, 75000 pensioners to whom this would apply, the alternate clawback formula just examined would cost the Commonwealth approximately $38.5 million per year (less what the current saving provision costs and what might be clawed back as a result of its provision of a greater work incentive).

Such a result is clearly inconsistent with one of the Child Support Scheme's primary aims, that is, to *reduce* Commonwealth outlays. It could be argued, however, that the new Scheme was not intended to reduce expenditure through a unilateral reduction in pension entitlement; but, instead, by transferring to non-custodial parents a greater and more equitable share of the financial responsibility for raising their children.

It is reasonable to assume that the separate maintenance income test, when applied to maintenance entitlements assessed and collected under Stage Two provisions would result more or less universally in higher net pensioner incomes than would have been the case had pre-Scheme arrangements been retained. At the same time, clawback should also increase dramatically.

Table 3.10: Percentages of pensioners whose income drops when maintenance due is paid and subject to the separate maintenance income test at different levels of maintenance not subject to 'clawback'

Clawback = .50 × (Maintenance − Base dollar amount − (Number of children × Amount per child))

Base dollar amount	Amount per child							
	0	5	10	15	20	25	30	35
0	28.2	28.2	24.2	18.8	12.3	7.3	3.8	2.5
5	27.8	26.9	22.2	15.7	9.4	4.5	2.5	1.3
10	26.7	24.4	17.1	10.8	5.5	3.5	1.3	1.2
15	25.2	20.4	13.7	7.7	4.5	1.4	1.2	0.8
20	21.7	15.3	9.2	5.5	2.4	1.2	0.8	0.6
25	18.3	12.1	8.4	3.7	1.3	0.9	0.6	0.6
30	13.4	9.3	4.6	2.6	0.9	0.6	0.6	0.6
35	12.3	7.5	3.9	1.0	0.7	0.6	0.6	0.6

Figure 3.2: Effect of changing clawback parameters

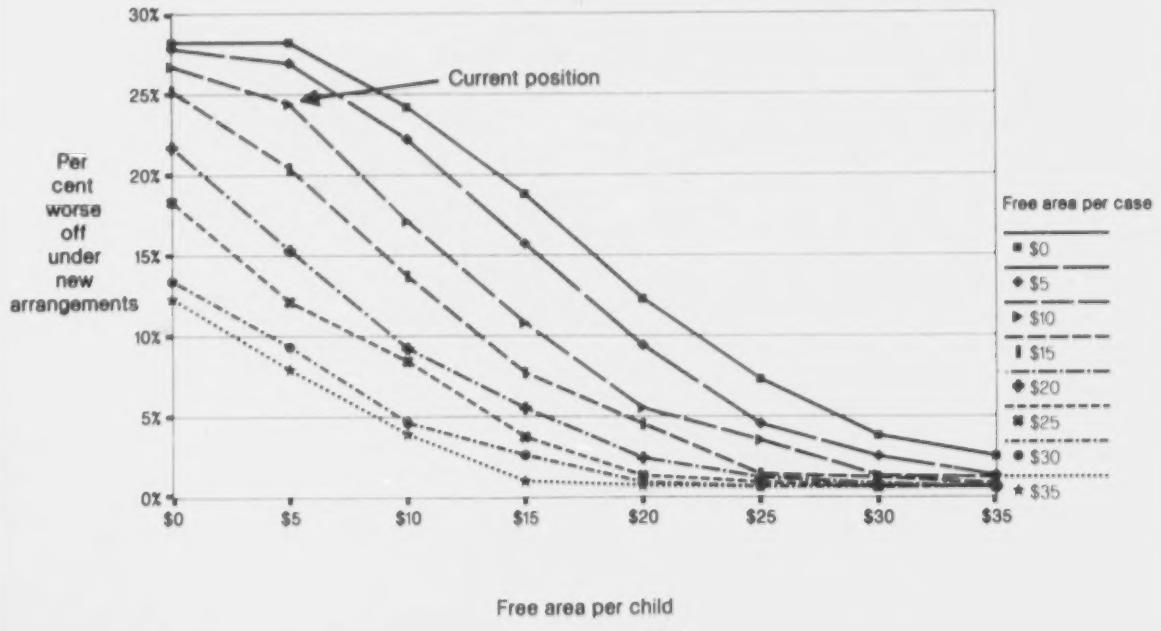


Table 3.11: Joint effect of maintenance collection and an alternative maintenance income test on pensioner income: Clawback = 0.50 × (Maintenance − $10 − ($30 per child))

	N	%	Respondent's weekly income	Weekly maintenance		Weekly pension		Total weekly income		Weekly income difference
				Paid	Due	Old	New	Old	New	
Pensioners receiving maintenance										
if household income = 0	414	25	0.00	39.52	40.25	193.65	194.07	233.17	234.32	1.15
if household income > 0	203	12	118.36	48.08	48.68	136.57	153.99	303.01	321.03	18.02
total, if receiving maintenance	617	37	38.94	42.34	43.03	174.87	180.88	256.15	262.85	6.70
Pensioners not receiving maintenance										
court enforceable maintenance	228	14	42.56	0.00	35.25	173.56	172.76	216.12	250.57	34.45
privately agreed maintenance	25	2	23.39	0.00	37.82	177.47	175.87	200.86	237.08	36.22
no maintenance due	740	46	34.34	0.00	0.00	171.80	171.80	206.14	206.14	0.00
total, if not receiving maintenance	993	63	35.95	0.00	9.05	172.35	172.12	208.30	217.12	8.82
Total	1610	100	37.10	16.23	22.07	173.32	175.48	226.65	234.65	8.00
Total, if maintenance due	870	54	39.45	30.03	40.85	174.60	178.60	244.08	258.90	14.82

This does not apply, however, in the case of pre-Scheme and other Stage One pensioners not covered by the savings provision or for the real incomes of those who are covered. What the data suggest is that, in order to satisfy the joint aims of improving the financial circumstances of the children of separated parents and reducing Commonwealth expenditure, it will be necessary to secure a further increase in the amounts of maintenance being collected. A variety of mechanisms could be employed to accomplish this: automatic Consumer Price Index adjustments could be made to registered court-enforceable maintenance entitlements, the Stage Two formula could be applied to Stage One registrants, or — since it would also allow for maintenance collection by the majority of pre-Scheme and Stage One custodial parents who do not have court-enforceable maintenance entitlements — Stage Two provisions could be opened up to all custodial parents regardless of the date of separation or the birthdates of their children.

Recommendations

Throughout this and the previous chapter, the maintenance of pre-Scheme and Stage One custodial parents have been examined in a variety of different, but collateral ways. Taken together, the observations presented have seemed to have led almost inexorably to the conclusion that neither the scope of Stage One's application nor the amounts of maintenance being ordered or approved by courts are adequate.

Of the various ways in which this can be addressed, it is the view of the Institute's evaluation that it would be appropriate to discard the current arrangements which provide for two classes of parents and their children and, accordingly, the Institute endorses the proposal contained in the Child Support Evaluation Advisory Group's 1990 Report that Stage Two assessment provisions be opened up to apply to all custodial parents be acted upon:

- That the Government widen the eligibility provisions of the *Child Support (Assessment) Act 1989* to include all children, not just those either born on or after the commencing day of that legislation or whose parents separate on or after that day;
- That, for the additional cases included by this widening of eligibility, application for administrative assessment under the Act be optional at the discretion of the custodial parent; and
- That the non-custodial parent be entitled to object to administrative assessment and that grounds for objection include unfairness having regard to prior financial arrangements made between the non-custodial parent and the custodial parent or child or children, present obligations to other persons and other relevant matters: such objections should be dealt with by the courts.

In addition, the Institute recommends: that the Child Support Agency be allocated sufficient additional staff and other resources to meet the demands of the, hopefully, resultant additional workload; and that the availability of Stage Two assessment and collection to all custodial parents be the subject of an intensive public information and awareness campaign.

4

CHILD SUPPORT AGENCY REGISTERED CUSTODIAL PARENTS

MARGARET HARRISON

This chapter focuses on the experiences of custodial parents registered with the Child Support Agency as reported by 3108 respondents in mid-1990, two years after the commencement of the Child Support Scheme.

As mentioned earlier, a major impetus for the introduction of the Child Support Scheme was the need to enforce compliance with court orders or registered agreements for the support of children. Earlier calculations, together with analysis of data from a sample of pre-Scheme parents, showed that low compliance rates, the low incidence of orders, and low amounts, were serious problems for custodians before the implementation of the Scheme (McDonald and Weston 1986, Harrison, Snider and Merlo 1990).

The samples of parents registered with the Child Support Agency were divided into recipients and non-recipients, and payers and non-payers (Appendix 1). The Child Support legislation requires all registrants to have either court orders or court approved agreements for the payment of child support, and entry into the Child Support Scheme had occurred voluntarily or at the behest of the Department of Social Security. The entry of non-custodians, which is discussed in the following chapter, was determined by the actions of the child's other parent. Descriptions of the procedures for entry into and exit from the Scheme are explained in more detail in Chapter 1.

Characteristics of Custodial Parents

Table 4.1 shows the general characteristics of the registered custodial parents in the evaluation. Several of these may be compared with Child Support Agency data (Chapter 2), others with those of the early entrant sample (Harrison, Snider and Merlo 1990).

From the Table a picture of a 'typical' registered custodian may be compiled. She is a divorced, unpartnered mother on a sole parent pension

who has no earned income, and has one or two children in her care for whom weekly child support of $27.49 per child is payable. She knows the whereabouts of her former husband, who may or may not be in some contact with the children, she had an order or registered agreement for child support from a magistrate's court before registering with the Child Support Agency, and had received legal aid to obtain it. Maintenance liability was determined in mid-1986 and the amount due has remained unchanged since that date. She is receiving child support through the Agency, and probably had not received it before coming into the Scheme.

Registered custodians were classified as recipients of child support on the basis of information provided by the Child Support Agency, augmented by their indicating in the survey that they had received a payment from the Agency in April 1990. This was the month which preceded that in which questionnaires were mailed to respondents. By definition, non-recipients in the evaluation had reported receiving no payments in April 1990, whether or not the Agency records defined them as recipients.

The data on payment after registration provided by custodial parents show that 54 per cent of these parents were in receipt of child support during April 1990. For the same month published Child Support Agency statistics (DSS Performance Report 1990) showed that 56 per cent of recipients were paid or part-paid in time for the first distribution by the Department of Social Security. This figure includes a significant number of payments not received by the due date but received in time for distribution (CSEAG 1990). In an additional 13 per cent of cases, Agency-initiated enforcement procedures were apparently successful, yielding a final collection rate of 70 per cent. The overall payment rate for registered liabilities remained fairly constant throughout 1989–90, although proportions paying amounts by the due date increased to an average of 60 per cent between September 1989 and March 1990, and dropped back to an average of 54 per cent between April 1990 and September 1990.

Longitudinal analysis of pre-Scheme data provided information on the precursors to the seeking and payment of child support for a sample of parents who were eligible to receive payments in an environment where only 34 per cent of all eligible parents had been receiving payments. Where court orders or court approved agreements were in place, the compliance rate increased to the still unimpressive figure of 55 per cent. This figure is almost identical to the first payment rate for custodial parents registered with the Agency, although the rate, as mentioned, increases to approximately 70 per cent over time. However, it should be noted that the pre-Scheme and registered custodial parent samples are different in nature, despite the similarities in compliance rates. The Agency is often called upon to pursue those with very poor payment histories and, as is discussed later, there is a selection bias in the very fact that registration has occurred. Although some custodians presumably registered where they thought there was some point in so doing, many indicated that they had come into the Scheme so that the Agency would ensure that lapsed payments were made.

Table 4.1: Per cent of registered custodial parents by general characteristics

	%	Total N (2813)
Relationship between parents		
Married, now divorced	70	1942
Married, now separated	14	379
De facto, now separated	11	304
Never lived together	6	161
Currently partnered	22	617
Currently sole parent	78	2143
Know other parent's whereabouts	88	2415
Don't know other parent's whereabouts	12	342
Children		
1 eligible for child support	45	1139
2 eligible for child support	40	999
3 eligible for child support	12	305
4 or more eligible for child support	3	83
Children don't visit	52	1385
Visit but don't stay overnight	13	354
Stay overnight	35	935
Economic (in)dependence		
Non-pensioner	32	872
Pensioner advised by DSS to register	44	1228
Pensioner not advised by DSS to register	24	659
Employed	41	1152
Not employed	59	1650
Respondents' weekly earnings:		
none	59	1699
$19–57.49	4	101
$57.50–96.49	4	111
$96.50–154.49	5	128
$154.50–231.49	5	128
$231.50–307.49	4	122
$307.50–384.49	6	159
$384.50–481.49	6	175
$481.50–577.49	3	89
$577.50–673.49	2	57
$673.50–768.49	1	14
$768.50 +	1	16
Demographics		
Custodial mother	98	2756
Custodial father	2	49

continued

continued

		%	Total N (2813)
Place of residence:	ACT	2	68
	NSW	29	822
	NT	1	20
	Qld	21	576
	SA	9	254
	Tas	4	100
	Vic	29	814
	WA	5	150
Length of separation			
2 years or less		15	365
3 to 5 years		38	937
6 to 10 years		32	795
11 years or more		15	365
Pre-registration experience			
Court order/agreement already in place		91	2546
Had to get court order/agreement to register		9	238
Receiving child support prior to registration		35	1747
Receiving extra payments prior to registration		4	100
Original court order		70	1887
Variation of court order		17	466
Original court approved agreement		8	228
Variation of court approved agreement		5	126
Family Court		44	1166
Magistrate's Court		56	1462
Private lawyer		29	817
Legal aid		58	1605
No legal representation		13	364
Maintenance			
Currently receiving spousal maintenance		6	161
Currently receiving child maintenance		54	1531
Currently receiving extra payments		4	117
Less maintenance because of property settlement		3	69
More maintenance because of property settlement		1	20
Maintenance not affected by property settlement		46	1198
No property settlement		14	370
No property to divide		36	926
Mean weekly maintenance (all children) paid before CSS		$14.93	2685
Mean weekly maintenance paid per child after registration		$14.70	2742
Mean weekly maintenance due per child after registration		$27.49	2701

In pre-Scheme circumstances, money was less likely to be pursued and paid where there was only one child of the relationship, parents had cohabited for a short period or not at all, separation had occurred later rather than sooner, access visits were infrequent or non-existent, and the parents had not married. For the 34 per cent of pre-Scheme custodians receiving some child support, the amounts paid were lower where the previous relationship between the parents had not been based on marriage, where there was no contact between the non-custodial parent and the children, and the separation had occurred several years previously rather than recently.

Child support recipients averaged 13 monthly payments from the Agency, and payments had occurred at regular monthly intervals for 74 per cent of these parents. Ninety-four per cent of those described as non-recipients reported receiving no payments throughout the period since registration, so for these respondents the missed payment in April was the rule rather than the exception. In terms of the length of their involvement in the Scheme, the recipient and non-recipient groups were remarkably similar. Just under half (48 per cent and 47 per cent) of both groups reported registering with the Agency during the first six months of its operation in 1988, and only 1 per cent had registered in 1990. As 87 per cent of custodians receiving payments reported receiving their first instalment within six months of registering, the delay in transmitting the first payment could account for a small proportion of the reports of non-payment in the evaluation.

Information About the Scheme

The first phase of the evaluation, *Who Pays for the Children?* (Harrison, Snider and Merlo 1990), identified confusion about the operation of the Child Support Scheme as being a concern for many early Agency registrants. In its major phase the Scheme therefore included a section on the availability of information, and its value to Agency clients. In addition, the levels of understanding about the new arrangements at the time of registration and at the time of the survey were sought. Seventy-one per cent of all registered custodians reported having an adequate understanding of the arrangements regarding the Scheme when they first registered, and 74 per cent said they had an adequate understanding of them when the evaluation was conducted.

Custodial parents were also asked what their main sources of information about the Child Support Scheme had been, and Table 4.2 shows their answers to this multiple response question. As the Table illustrates, the Department of Social Security was the most commonly cited source (reported by 58 per cent of respondents), the Child Support Agency the second (34 per cent), but the importance of the printed and electronic media is shown also, with the combination of radio, television, newspapers and

magazines accounting for the answers of 51 per cent of respondents.

As would be expected, pensioners were more likely than non-pensioners to have relied on the Department of Social Security for their information about the Scheme (66 per cent versus 39 per cent of respondents). Pensioners were also more likely to have reported receiving information from legal aid (10 per cent versus 6 per cent), probably because of their lower income levels allowing them access to legal aid in their maintenance proceedings. Consistent with this, non-pensioners were somewhat more likely to have reported reliance on lawyers for their information than pensioners (29 per cent versus 23 per cent), were more likely to cite the courts as a major source of information (20 per cent versus 13 per cent) and to have relied on the media (58 per cent versus 48 per cent). Pensioner status had little impact on the other nominated sources of information, which included the Child Support Agency.

The level of satisfaction with the information provided by the major sources selected by respondents was generally high (Table 4.3), with 76 per cent indicating that it was very helpful (24 per cent) or helpful (52 per cent), and only 8 per cent judging it to be no help at all. Its importance to parents entering the Scheme was also substantial, with less than one per cent reporting that they did not use or read the advice or material they were provided with.

Respondents were also asked specifically how helpful the general information, letters or other correspondence and information provided by direct contact (via telephone or in person) had been, from both the Department of Social Security and the Child Support Agency. Figure 4.1 shows their assessments of the different forms of assistance received from the Department. Figure 4.2 shows these in relation to the Agency. The Figures exclude the responses of those who reported receiving no help, correspondence or contact. In general, a larger proportion of registered parents indicated that they had received help or information from the Department of Social Security than from the Child Support Agency (56 per cent of respondents versus 34 per cent).

Assessments of the various forms of assistance received from the Department of Social Security and its staff were remarkably consistent across the categories of pensioners and non-pensioners. The number who had received correspondence from the Department was smaller than that commenting on general information, and there were fewer again who reported having personal contact with staff. However, overall an average of 17 per cent of the relevant respondents thought the particular assistance was very helpful, 48 per cent thought it helpful, 25 per cent thought it not very helpful and 10 per cent said it was no help at all.

Pensioner status was less likely to have an impact on custodial parents in their dealings with the Child Support Agency, and similar consistencies were found with assessments of information and correspondence from this source. Once again, numbers of those replying were smaller in relation to the correspondence and personal contact aspects. Satisfaction levels were

Figure 4.1: Custodial parents' perception of information or help received by the Department of Social Security by pension status

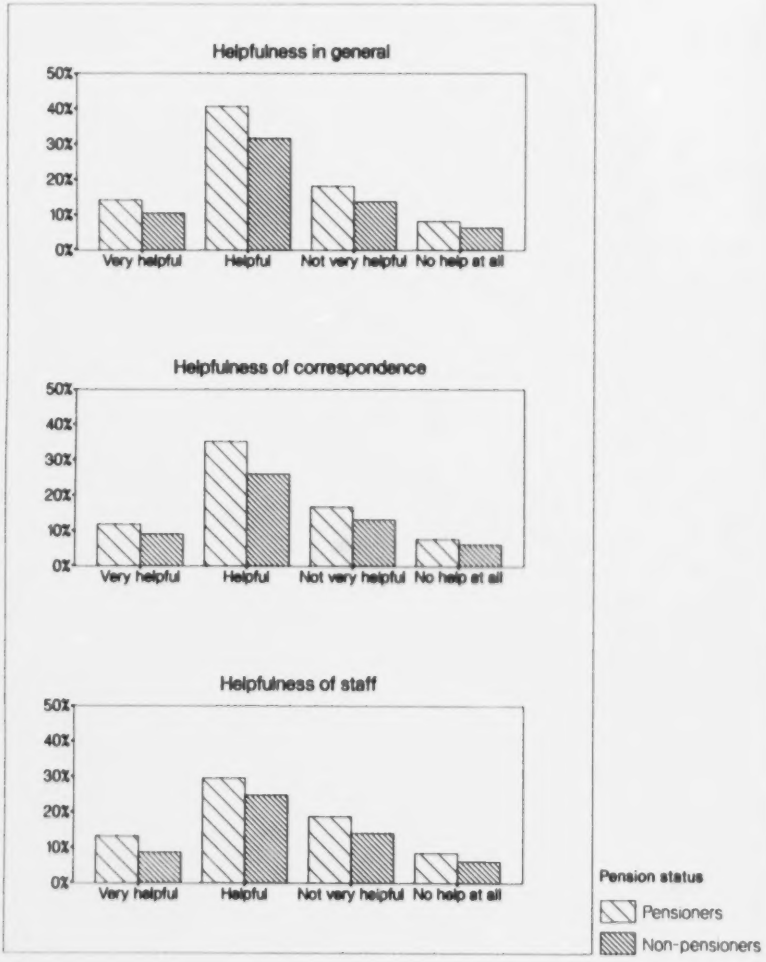


Figure 4.2: Custodial parents' perception of information or help received by the Child Support Agency by pension status

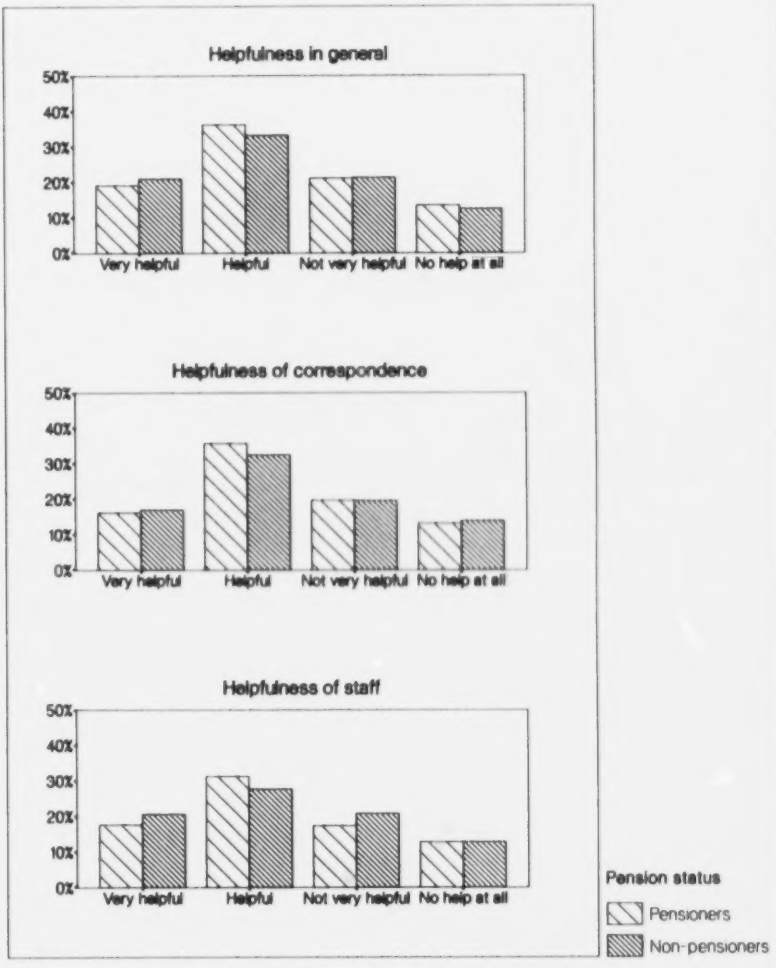


Table 4.2: Main sources of information about the Child Support Scheme: percentage distributions

Main sources of information	Total registered custodians	Pensioners	Non pensioners
Department of Social Security	58	66	39
Child Support Agency	34	35	32
Government 'hotline'	6	6	6
Lawyer	25	23	29
Legal Aid Office	9	10	6
Community advice/legal advice organisations	6	7	6
Courts	15	13	20
Friends/relatives	15	15	14
Other parent	0	0	0
Television	12	12	13
Radio	9	8	11
Newspapers	25	23	29
Magazines	6	6	6
Other	4	4	6
N	2796	1931	865

Note: Multiple response item — 'What were the main sources of information about the Scheme?'

Table 4.3: Helpfulness of information received about the Child Support Scheme: percentage distributions

	N	%
Very helpful	667	24
Helpful	1424	52
Not very helpful	431	16
No help at all	219	8
No information used	10	0

somewhat lower for Agency dealings than for those with the Department of Social Security, possibly because registered custodial parents were more likely to have contact with the Agency where there was a problem or a complaint. On average, 21 per cent classified the help or advice as very helpful, 39 per cent thought it helpful, 23 per cent considered it to be not very helpful, and 17 per cent said it was no help at all.

Time Factors and Payment Process

The Child Support Scheme introduced a system based on monthly payments, with collection occurring monthly in arrears. This replaces the traditional method of collection in advance. The new system was estab-

lished in its present format to implement the automatic withholding procedures (Chapter 7) and to integrate these with PAYE tax collection.

Figure 4.3 shows the collection and payment cycle where a child support obligation arises in January and is payable via the Agency. The money is payable on the seventh day of February, is then made available for distribution (after banking and reconciliation of discrepancies) to the Department of Social Security by the Agency on the last Thursday of the same month, before being disbursed by the Department to bank accounts on the first Wednesday of March.

The start-up delay has been described by an administrator of the Scheme as 'one of the more troublesome elements of Stage One' (McHugh 1989). It is obviously perceived in a similar way by many Agency clients. The issue was canvassed in the Institute's first report of the evaluation (Harrison, Snider and Merlo 1990) and has also been an expressed concern of welfare and parent groups. While it may be forgotten by custodians once a pattern of regular payment is established, the initial delay can cause financial problems at a time when the recency of the separation is conducive to extra financial and emotional pressure.

Concerns expressed by registered custodial parents about being in the Scheme are discussed in more detail later in this chapter. Nonetheless, it is important to note here that more respondents (52 per cent) reported the initial delay between registration and payment as a major concern than referred to any other possible problems.

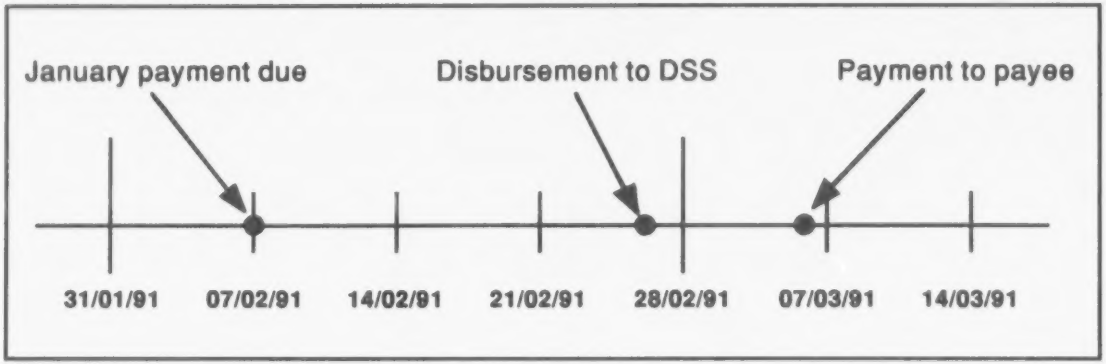
Unfortunately, 28 per cent of child support recipients were unable to provide information on either the date of their registration with the Child Support Agency, the date of their first payment through the Agency, or both. However, analysis of all available information showed that the reported average time between registration and the first payment for those with that information was 3.8 months.

Figure 4.4 shows the two components of the Child Support Scheme's payment system, and average periods between registration and receipt of the first payment, from the implementation of the Scheme to October 1990. The data are those of the Child Support Agency. The components are: the time between registration with the Agency and its receipt of money from the non-custodial parent; the time between receipt of money by the Agency and the first payment to the custodial parent; and the total period from registration to receipt by the custodial parent.

The major feature of the Figure is its illustration of the reduction in delays over the life of the Scheme, particularly in relation to the first period, which involves the most processing and effort by the Agency. The faster turnaround there affects the overall period represented by the third time point, and reflects the transfer of staff from enforcement to registration in a conscious effort to minimise delays.

Registered custodians in the Institute's evaluation had experienced some of the most lengthy start-up delays since the Scheme was introduced, as many had entered the Scheme in late 1988–early 1989. From the available evidence, future delays for new registrants will be substantially shorter.

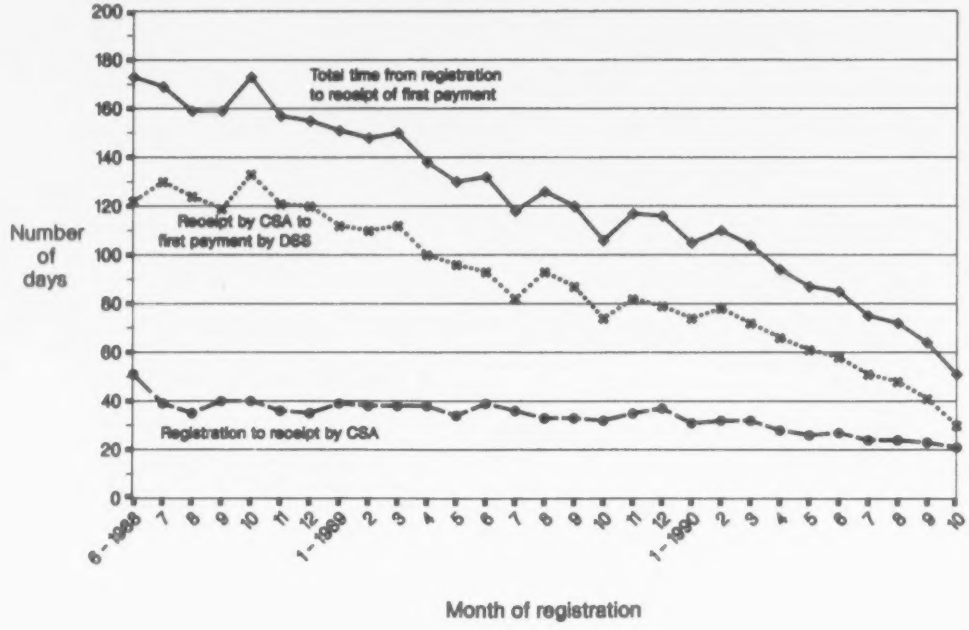
Figure 4.3: CSA Collection/Payment Cycle



Source: Child Support Agency

Figure 4.4: Average time between registration and receipt of first payment for the period June, 1988 to October, 1990

Child Support Agency data


Total time from registration to receipt of first payment
Receipt by CSA to first payment by DSS
Registration to receipt by CSA
Number of days
Month of registration

Impacts of Registration on Custodial Parents

Custodial parents might wish to register with the Agency for a number of perceived reasons, which in turn may influence their expectations of the Scheme and their assessments of its value. Table 4.4 shows the distribution of reasons for registering for all respondents, for recipients and non-recipients, and pensioners and non-pensioners. As shown, the greatest number of respondents (50 per cent) had registered in order to ensure that some support for their children was paid, slightly fewer (46 per cent) said they had been advised to register by the Department of Social Security, and the next most common reasons given were to ensure that payments were made on time (28 per cent) and to avoid contact with the other parent (27 per cent).

Pensioners were, as expected, most likely to report that advice received from the Department of Social Security was a major reason for registration (55 per cent), but the previous non-payment of maintenance by their child's other parent was again a common reason they gave (49 per cent).

Respondents' concerns about being registered with the Agency, and therefore in the Scheme, were also canvassed and their responses are set out, in ranked order, in Table 4.5. As their experiences differ considerably,

Table 4.4: Main reasons for registering with the Child Support Agency: percentage distributions

Reasons	Total registered custodians	Recipients	Non Recipients	Pensioners	Non pensioners
Advised by DSS	46	38	55	55	26
Advised by judge or other court official	17	15	19	15	20
Advised by lawyer	28	30	26	28	29
Other parent suggested it	1	1	1	1	1
Not receiving maintenance previously	50	36	66	49	51
Not receiving maintenance on time	28	40	13	26	32
Wanted no contact with other parent	27	28	27	27	27
Other reason	20	20	20	18	24
N	2800	1524	1275	1929	817

Note: Multiple response item — 'What were the main reasons you applied for registration with the Child Support Agency?'

responses of recipients and non-recipients are provided separately.

As mentioned, the initial delay between registration and first payment was referred to most commonly and was the greatest concern of recipient custodians (52 per cent of respondents identified it), although most had received their first payments many months before the evaluation was conducted.

Other delays associated with payment also caused difficulties for many of these custodians (44 per cent), as did their desire to have nothing to do with their child's other parent (43 per cent). The frequency with which this concern was expressed is rather puzzling, given that the Scheme reduces the need for both parents to meet, or negotiate over payments. In the light of the small number of respondents who identified 'don't want anything from the other parent' (5 per cent), 'don't believe the other parent should pay' (2 per cent) and 'agreed with the other parent not to seek maintenance' (1 per cent) as concerns, it appears to be something of an aberration, unless the desire to have nothing to do with the other parent was a major reason for registering, rather than an effect of registration (see Table 4.4 where it was consistently mentioned as a reason by 27 per cent of all respondents,

Table 4.5: Custodial parents' main concerns about Child Support Agency registration: percentage distributions

Concerns	Total registered custodians	Recipients	Non recipients
Initial delay between registration and payment	52	54	50
Other delays in payment	44	34	55
Want nothing to do with the other parent	43	43	42
Difficulty obtaining information about my case from the Child Support Agency	40	27	54
Difficulty obtaining information about my case from the Department of Social Security	25	19	31
Violence from the other parent	21	15	28
Other concerns	21	18	23
Invasion of privacy/information asked for	19	24	13
Increase tension around access/visits	18	15	21
Government involvement in personal matters	17	20	14
Scheme may reduce total amount of maintenance	12	13	11
Inconvenience	12	8	15
Don't want anything from the other parent	5	4	5
Don't believe the other parent should pay	2	2	2
Agreed with other parent not to seek maintenance	1	1	1
N	2424	1265	1159

Note: Multiple response item — 'What concerns, if any, do you have about being in the Scheme?'

Figure 4.5: Perceived impact of the Scheme on ensuring that the right amount of maintenance is paid

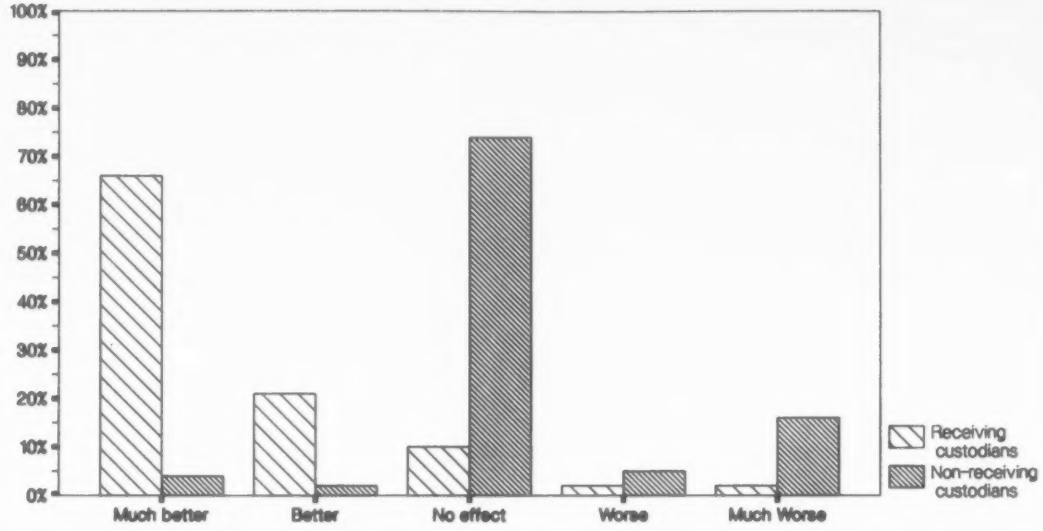


Figure 4.6: Perceived impact of the Scheme on ensuring that maintenance is paid on time

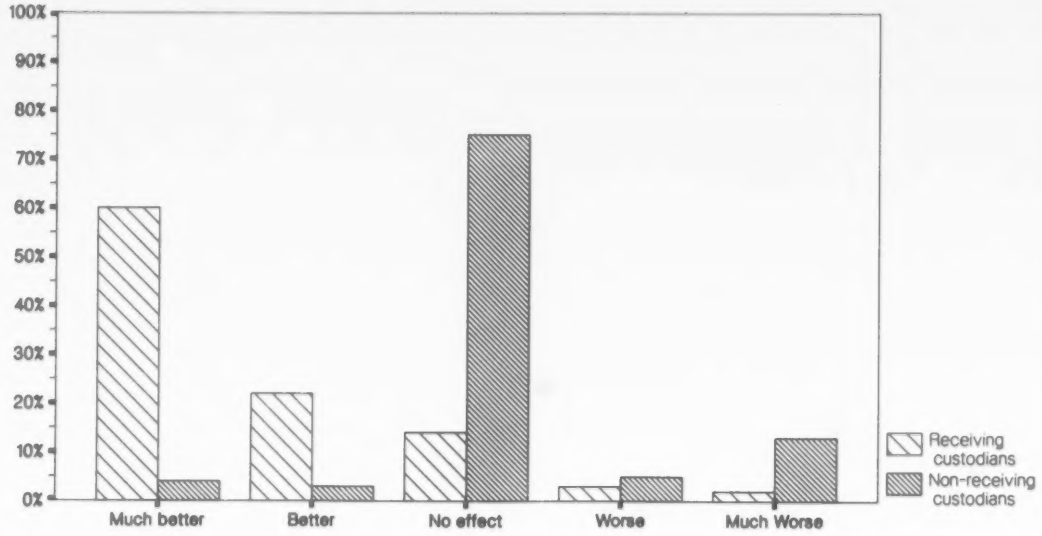
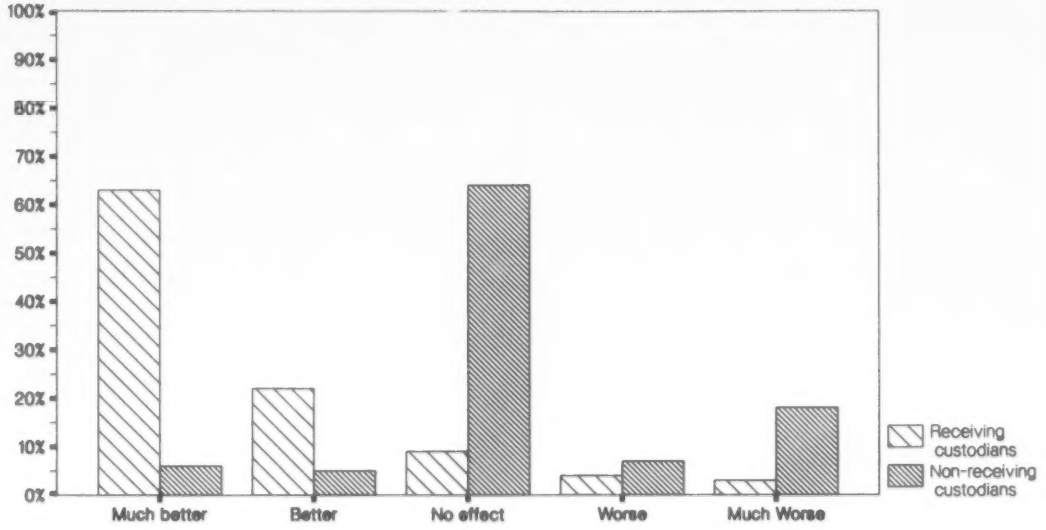


Figure 4.7: Perceived impact of the Scheme on receipt of enough maintenance



pensioners, non-pensioners, recipients and non-recipients). Concerns that registration would provoke violence from the other parent were reported by a disturbingly high proportion of respondents (21 per cent).

The importance of the evaluation including subjective assessments of the Scheme by its clientele was suggested by: the relative recency of the Stage One procedures; the expectations both clients and the Government have had about its operation; and the anticipation that the changes it has brought about may be both significant and wide-ranging.

The responses of registered custodial parents to six areas of possible impact of registration are shown in Figures 4.5 to 4.10 according to their receipt or non-receipt of child support from the Agency at the time of the survey.

Responses on the dimensions of ensuring that the right amount is paid, that it is paid on time and in the correct amounts, and assessments of the convenience of the Scheme are consistent for recipients and non-recipients. The latter most commonly reported that the Scheme had had no effect on any of these aspects, or that the situation was much worse, while recipients were very positive about the timing and amounts of the support paid, but were less enthusiastic about the issue of convenience. A small proportion of recipients and non-recipients estimated that the impact of the Scheme on the parent–child relationship was of any consequence. Registered custodial parents were also asked to rate the manner in which maintenance was collected and paid after registration. Their attitudes were obviously affected by the success or otherwise of the Agency in ensuring that money was paid, as Table 4.6 shows. Seventy-four per cent of recipients were positive about post-registration collection and payment (48 per cent were very happy, 26 per cent happy), 11 per cent of non-recipients expressed a largely negative opinion, indicating that they had received one or more sporadic payments before April 1990.

Table 4.6: Satisfaction with maintenance collection under the Child Support Scheme: percentage distributions

	Total registered custodians	Recipients	Non recipients
Very happy	26	48	1
Happy	14	26	1
Neither happy nor unhappy	11	19	2
Unhappy	3	4	2
Very unhappy	4	3	6
No maintenance is being collected	42	–	88
N	2757	1477	1280

Characteristics of Recipient Custodial Parents

Table 4.7 describes the characteristics of those custodial parents who had registered with the Child Support Agency and had reported receiving a monthly payment in April 1990. The analysis of non-custodial parent data in Chapter 5 complements the information on payment, and offers some explanations of failure to pay.

The information in this section cannot and does not show the extent of non-registration, that is, those who register from any one group are a variable proportion and possibly selective of whether payment would be made on registration. For example, the high rate of payment for the 'never lived together' category may reflect the fact that members of this group only registered where they believed they had a good chance of receiving payment as a result of registration.

Relationship between parents

As mentioned, the analysis of pre-Scheme custodial parent respondent data showed that those who were most likely to seek and receive child support were parents who had had a 'substantial' relationship with their child's other parent prior to separation, in terms of either a de jure marriage, or de facto cohabitation of several years duration.

As Table 4.7 shows, parental relationship prior to its termination was relevant to receipt of child support after registration, but not in quite the anticipated manner. Custodians who had divorced were the most likely to be in receipt (58 per cent), followed by those who separated after marriage (48 per cent) and those in the smallest group who had never lived with their child's other parent (46 per cent). Custodians who had lived in a de facto relationship prior to separation were the least likely to be in receipt of child support after registration (42 per cent). Further analysis (not shown in a Table) identified the married–separated parents as being the most recently separated of the ever-cohabited group, and Table 4.7 shows that recipient custodial parents who separated two years or less before the evaluation had a higher chance of receiving payment after registration than did those who separated three years or more earlier. The never-cohabited group and those who had lived together without marrying were the most likely to be sole parent pensioners whom the Department of Social Security had advised to register.

Whether or not custodial registrants had re-partnered by the time of the evaluation had no impact on their chances of receiving payment after registration.

However, as mentioned earlier, knowing the whereabouts of the other parent was a strong indicator of child support receipt through the Child Support Agency. Less than one third (30 per cent) of the custodians who did

Table 4.7: Proportion of registered custodial parents receiving child maintenance by selected characteristics

	% receiving (54%)	Total N (2813)
Relationship between parents		
Married, now divorced	58	1942
Married, now separated	48	379
De facto, now separated	42	304
Never lived together	46	161
Currently partnered	57	617
Currently sole parent	54	2143
	n.s.	
Know other parent's whereabouts	58	2415
Don't know other parent's whereabouts	30	342
Children		
1 eligible for child support	55	1139
2 eligible for child support	60	999
3 eligible for child support	57	305
4 or more eligible for child support	48	83
	n.s.	
Children don't visit	42	1385
Visit but don't stay overnight	61	354
Stay overnight	70	935
Economic (in)dependence		
Non-pensioner	60	872
Pensioner advised by DSS to register	45	1228
Pensioner not advised by DSS to register	66	659
Employed	57	1152
Not employed	52	1650
	n.s.	
Respondents' weekly earnings:		
none	51	1699
$1–57.49	63	101
$57.50–96.49	59	111
$96.50–154.49	50	128
$154.50–231.49	64	128
$231.50–307.49	57	122
$307.50–384.49	60	159
$384.50–481.49	59	175
$481.50–577.49	54	89
$577.50–673.49	60	57
$673.50–768.49	46	14
$768.50 +	72	16
	n.s.	

continued

continued

	% receiving (54%)	Total N (2813)
Demographics		
Custodial mother	54	2756
Custodial father	52	49
	n.s.	
Place of residence: ACT	68	68
NSW	45	822
NT	54	20
Qld	57	576
SA	69	254
Tas	73	100
Vic	51	814
WA	72	150
Length of separation		
2 years or less	61	365
3 to 5 years	57	937
6 to 10 years	54	795
11 years or more	53	365
	n.s.	
Pre-registration experience		
Receiving maintenance prior to registration	85	939
Not receiving maintenance prior to registration	37	1747
Receiving extra payments prior to registration	77	100
Not receiving extra payments prior to registration	54	2680
Court order/agreement already in place	54	2546
Had to get court order/agreement to register	60	238
	n.s.	
Original court order	50	1887
Variation of court order	65	466
Original court approved agreement	65	228
Variation of court approved agreement	62	126
Family Court	61	1166
Magistrate's Court	49	1462
Private lawyer	63	817
Legal aid	49	1605
No legal representation	57	364
Maintenance		
Currently receiving extra payments	74	117
Currently not receiving extra payments	54	2643

continued

continued

	% receiving (54%)	Total N (2813)
Receive spousal maintenance	38	161
No spousal maintenance	56	2612
Less maintenance because of property settlement	80	69
More maintenance because of property settlement	81	20
Maintenance not affected by property settlement	61	1198
No property settlement	49	370
Mean weekly maintenance paid (all children) before CSS	$24.26	2686
Mean weekly maintenance paid per child after registration	$27.60	2701
Mean weekly maintenance due per child after registration	$28.74	2742

Note: n.s. signifies not statistically significant at $p < .0001$

not know where the other parent was were receiving payments, while 58 per cent of those who knew his or her whereabouts were support recipients. An obvious conclusion is that if the custodian knew the location of the liable parent so did the Child Support Agency, either through information received from the other parent, or because the liable parent was in regular employment and/or easily traceable.

Children

Although the number of children for whom child support was payable was not a significant variable, there was a tendency for those with more than three eligible children to be the least likely to be receiving money, despite their registering with the Child Support Agency.

Whether or not there was contact between the non-custodial parent and the children had a significant impact on the receipt of child support, with overnight stays by the children increasing the likelihood of money being paid. Contact between non-custodial parents and their children was also significant in relation to seeking and receiving child support for those in the pre-Scheme sample. As the data here show, although all these respondents have their maintenance liabilities registered with the Child Support Agency, where the children see the other parent there is still a 19 per cent greater chance of child support being paid than where there is no contact. This increases to a 28 per cent greater chance where the child stays overnight. These data suggest that the law's insistence on a lack of connection between access and maintenance is often not shared by parents. There is also an obvious relationship between knowing where the child's other parent lives and that parent retaining some form of contact with the children.

Economic (in)dependence

As discussed in more detail later, pensioners or pension applicants may be required by the Department of Social Security to take reasonable action for maintenance. If this action results in the making of a registrable maintenance liability, this should be registered with the Child Support Agency. For the purpose of the evaluation, respondents were asked if they had been advised by the Department to register with the Agency. (The frequency with which 'advice from the Department of Social Security' was chosen as a reason for registering is shown in Table 4.4 earlier).

As Table 4.7 shows, child support recipient pensioners who had not been advised to register with the Agency were most likely to be receiving child support (66 per cent), with non-pensioners the next most likely (60 per cent) and pensioners advised by the Department the least likely (45 per cent). In view of the role played by the Department of Social Security in encouraging pensioners to seek maintenance, investigation of the impact of that provision on the pensioner population in terms of their maintenance receipt is relevant and is discussed in more detail later in this chapter.

Another economic variable — the current employment status of the respondent — appeared to have no impact on the receipt of child support, and neither did the respondents' weekly earnings or the gender of the custodial parent.

The State in which the respondent lived at the time of the survey was a statistically significant factor, but explanations for this are not readily forthcoming. As Table 4.7 shows, the States with the highest proportion of registered custodial parents receiving child support were South Australia, Western Australia and Tasmania, together with the ACT. It is possible (but unlikely) that the pre-Scheme collecting agencies in the first two States created a climate in which child support was more likely to be paid, and that the size and population of Tasmania and the ACT were conducive to high rates of location and low default rates. This theory is borne out by the fact that the two most populated States — New South Wales and Victoria — had the lowest receipt rates after registration. However, caution needs to be exercised, as the place of residence of the non-custodial parent is also relevant, and in particular, his or her distance from the other parent. Other factors may include staff workloads in the different State Child Support Agencies.

The only relationship between time since separation and receipt of child support for registered custodians was a trend for those separated within two years of the survey to have a somewhat greater chance of receiving support than those who had been separated for longer durations (61 per cent compared with an average of 55 per cent). It might be anticipated that knowledge of the other parent's whereabouts would decline with time. However, surprisingly, those separated for longer periods were no less likely than those whose relationships had ended more recently to know where the other parent lived. (See Table 4.11 later).

The incidence of spousal or non-periodic child support payments is important to any assessment of the impact of extending the Stage Two administrative assessment procedures to parents who separated prior to October 1989, as settlements may have to be unravelled in order to take into account higher amounts of child support.

Custodial parents have argued that requiring strict compliance with 'the letter of the law' will result in a reduction in other amounts paid voluntarily, or increased attempts to vary orders or registered agreements which require the payment of non-periodic contributions for the children. Table 4.5 showed that fears that the 'Scheme may reduce the total amount of maintenance' was a concern of 12 per cent of respondents. However, only 1 per cent of all registered custodians in the evaluation reported the inclusion in a court order or registered agreement of any additional payments for items such as health insurance, clothing or housing costs. Voluntary additional payments were only mentioned by 4 per cent of custodians, while 6 per cent said they were receiving spousal maintenance and 4 per cent indicated that a property settlement had affected their maintenance position in some way. The incidence of additional payments makes their impact minimal, and their rarity puts particular discussions of this aspect of the Scheme's potential consequences into a more realistic context.

Similar results were received from pre-Scheme custodial parents. Nonetheless, Table 4.7 shows that receipt of child support was higher among those who received extra amounts prior to registration (77 per cent versus 54 per cent), and among those who received extra amounts at the time of the evaluation (74 per cent versus 54 per cent), while recipients of spousal maintenance had a decreased chance of receiving child support after registration (38 per cent versus 56 per cent). There was also a correlation between custodians reporting a change in the amount of their child support because of a property settlement and their having, if registered, an increased chance of receiving child support payments. Those least likely to be receiving payments had no property to divide.

The similarities between recipients' reports of weekly amounts due and amounts paid ($28.74 versus $27.60 per child) via the Agency suggest that those being paid were generally paid regularly and in the prescribed amounts.

Pre-registration Payments and the Impact of Registration on Payment

One measure of the effectiveness of the Child Support Scheme is the extent to which its procedures resulted in the payment of liabilities which were totally or partially ignored before registration. Payment of child support prior to registration was reported by 35 per cent of all registered custodial parents (Table 4.1). Reliance on the pre-Scheme data suggests that many pre-registration payments would have been made irregularly, for low and

sometimes fluctuating amounts. No assessment of the extent of compliance before registration could be made in relation to the actual circumstances of these registered custodians, but, historically, unenforced payments have tended to drop off over time (see Figure 6.1).

Post-registration payment by the non-custodial parent had been preceded by pre-registration payment in 85 per cent of cases (Table 4.7), but payment appears to have (re)commenced for 37 per cent of Agency recipients after (and presumably as a result of) their coming into the Scheme.

The importance of the receipt of child support prior to Agency registration as an antecedent to post-registration receipt was so strong that characteristics of custodial parents were re-analysed controlling for this factor. Table 4.8 shows the results of this analysis. Where payments had been received previously, very few characteristics or experiences of registrants affected the receipt of money after registration. Exceptions were continuing contact with children, respondent's pensioner status, the role played by the Department of Social Security in their decision to register, and the respondent's State of residence. Contact between the children and the non-custodial parent increased the chance of post-registration payment, being a pensioner advised to register decreased the chance, as did residence in Western Australia and Queensland.

If payment had not been received before registration with the Agency, a number of factors increased the chance of registration being successful. These included knowledge of the other parent's whereabouts, continuing contact between that parent and the child, being a pensioner who had not been advised to register, having some property to divide and having finalised the division, having to obtain a court order prior to registration, having a Family Court order and having a privately engaged lawyer. Once again, the State of residence of the respondent was relevant, with those living in the States with the largest populations (Victoria and New South Wales) having a lower chance of being successful than those living elsewhere. Again (see earlier discussion) selection may be playing a part. Those appearing in the second set of columns in Table 4.8 had not received child support before registering with the Agency, and may have had particularly recalcitrant former partners. These steps may select out particular custodial parents who were more or less likely to receive payment after registration.

An additional important antecedent to the receipt of child support for registered custodians was knowledge of the other parent's whereabouts. Custodians registered with the Child Support Agency who knew where the other parent was and were receiving child support prior to registration were 53 per cent more likely to be in receipt of payments than were those who neither knew the other's whereabouts nor had been receiving support. Not surprisingly, this latter group was very small (4 per cent), and registration was possibly seen as a last resort. Table 4.9 shows that nearly one quarter (24 per cent) of the Agency-registered custodians had received no payments before coming into the Scheme but were receiving them after registration. For an additional 30 per cent, payments had continued, while another 41 per

S 4

Table 4.8: Per cent of registered custodial parents receiving child maintenance who (a) were receiving maintenance before registration or (b) were not receiving maintenance before registration, by selected characteristics

	% receiving before (35%)	Total N (939)	% not receiving before (65%)	Total N (1747)
Relationship between parents				
Married, now divorced	88	698	40	1152
Married, now separated	78	124	34	240
De facto, now separated	72	67	33	222
Never lived together	77	43	33	115
			n.s.	
Currently partnered	87	225	37	366
Currently sole parent	84	701	38	1343
	n.s.		n.s.	
Know other parent's whereabouts	85	875	40	1436
Don't know other parent's whereabouts	80	53	20	275
	n.s.			
Children				
1 eligible for child support	86	359	40	728
2 eligible for child support	89	376	42	581
3 eligible for child support	87	115	37	180
4 or more eligible for child support	71	29	31	50
	n.s.		n.s.	
Children don't visit	77	306	31	1023
Visit but don't stay overnight	92	130	42	210
Stay overnight	87	454	50	443
Economic (in)dependence				
Non-pensioner	88	307	40	527
Pensioner advised by DSS to register	79	336	32	844
Pensioner not advised by DSS to register	89	279	47	357
Employed	86	407	41	700
Not employed	84	526	35	1042
	n.s.		n.s.	
Respondents' weekly earnings:				
none	84	537	34	1078
$1–57.49	83	44	45	54
$57.50–96.49	84	40	45	64
$96.50–154.49	74	43	39	81
$154.50–231.49	94	52	45	69

continued

continued

	% receiving before (35%)	Total N (939)	% not receiving before (65%)	Total N (1747)
$231.50–307.49	86	39	42	78
$307.50–384.49	88	54	43	101
$384.50–481.49	84	64	42	104
$481.50–577.49	91	28	35	57
$577.50–673.49	92	22	40	35
$673.50–768.49	100	3	42	9
$768.50 +	87	7	61	9
	n.s.		n.s.	
Demographics				
Custodial mother	85	915	38	1715
Custodial father	75	18	36	30
	n.s.		n.s.	
Place of residence: ACT	86	26	55	41
NSW	79	241	29	545
NT	100	6	36	15
Qld	92	165	42	384
SA	89	109	54	131
Tas	100	46	47	51
Vic	80	274	33	501
WA	92	66	57	78
Length of separation				
2 years or less	87	158	40	190
3 to 5 years	86	331	37	569
6 to 10 years	84	279	37	489
11 years or more	93	81	40	264
	n.s.		n.s.	
Pre-registration experience				
Court order/agreement already in place	84	877	36	1559
Had to get court order or agreement to register	91	51	52	179
	n.s.			
Receiving extra payments prior to registration	94	55	57	37
Not receiving extra payments prior to registration	84	878	37	1689
	n.s.		n.s.	
Original court order	84	531	35	1273
Variation of court order	85	204	47	239

continued

continued

	% receiving before (35%)	Total N (939)	% not receiving before (65%)	Total N (1747)
Original court approved agreement	85	113	44	107
Variation of court approved agreement	88	57	38	63
	n.s.		n.s.	
Family Court	88	454	50	659
Magistrate's Court	83	433	34	959
	n.s.			
Private lawyer	87	346	44	429
Legal aid	81	454	35	1080
No legal representation	90	128	38	223
	n.s.		n.s.	
Maintenance				
Currently receiving extra payments	95	67	41	42
Currently not receiving extra payments	84	858	37	1674
	n.s.		n.s.	
No spousal maintenance	85	899	39	1601
Receive spousal maintenance	80	33	26	115
	n.s.		n.s.	
Less maintenance because of property settlement	94	34	63	33
More maintenance because of property settlement	92	12	64	8
Maintenance not affected by property settlement	86	484	42	657
No property settlement	82	103	35	257
	n.s.		n.s.	
Mean weekly maintenance paid (all children) before CSS	$42.70	939	0	1747
Mean weekly maintenance paid per child after registration	$25.04	907	$9.09	1712
Mean weekly maintenance due per child after registration	$30.14	905	$26.09	1682

Note: n.s. signifies not statistically significant at $p<.001$

Table 4.9: Registered custodial parents: incidence of payment of child support before registration and at the time of the survey

Before registration:	not received	not received	received	received
At time of survey:	received	not received	received	not received
Proportion of respondents	24	41	30	5

cent failed to receive any child support at either interval, despite the intervention of the Child Support Agency. The smallest group (5 per cent) had seen their payments terminate at some time after registration. This Table overemphasises the overall impact of the Scheme (see Chapter 3) and needs to be considered in view of the fact that only a minority of those eligible to register have in fact done so.

Registration and its Effect on Parent–Child Relationships

The possible impact of stringent compliance with child support liabilities on parents and children has been of concern to counsellors, lawyers and others working with separated families. Fears that violence would be provoked, that non-custodial parents would equate payment with a right to have access to their children, or that they would seek custody of them rather than pay money to the custodial parent, were touted as likely unintended consequences of the Scheme's operation.

As mentioned earlier, 18 per cent of respondents said that they were apprehensive about registration increasing tension around access and visits, and 21 per cent were apprehensive about there being some exhibition of violence from the other parent. This Institute's evaluation cannot measure the incidence of unintended consequences in the wider community, or document their particular effects on individuals. However, it can put reports of damaged parent–child relationships into some perspective.

This perspective includes the extent of contact between the children and their non-custodial parent which, from custodians' accounts, was far from substantial. One-half of the registered custodial parents indicated that the children and their other parent never saw each other, and 49 per cent of those who said there was some contact reported it as occurring either every few months, once a year, or less. Recipients were more likely than non-recipients to report that all children spent some time with the other parent (53 per cent versus 30 per cent), and less likely to say there was no contact at all (36 per cent versus 61 per cent).

Custodial parents were asked whether the relationship between their children and the other parent had changed since registration, and if so, how.

Table 4.10: The nature of changes in the relationship between the respondent and the children (for those reporting some change).

	Recipients		Non-recipients	
	n	%	n	%
Visits stopped	56	20	70	34
Visits reduced	32	11	20	10
Visits increased	9	3	0	0
Less financial support during visits	10	4	0	0
Other parent wants visits or more visits	10	4	0	0
Relationship deteriorated	46	16	71	34
Relationship improved	53	18	12	6
Other	70	24	32	16
N	286	100	205	100

Overall, only 19 per cent of registered custodial parents reported any change in this relationship since registration, with a slightly higher proportion of those receiving than not receiving money reporting some change (20 per cent versus 17 per cent). This is reinforced by the high incidence of custodial parents reporting that the Scheme had no effect on the relationship between the children and the non-custodial parent, or between that parent and themselves (Figures 4.8 and 4.9).

The nexus between perceived improvement or deterioration in the parent–child relationship as a result of entry into the Child Support Scheme therefore should not be overemphasised. Any changes in parenting patterns should be considered in the light of these figures, and the frequency of contact between the child and the non-custodial parent. Juxtaposing them with reports of custodial parents' concerns about registering (Table 4.5) suggests that anticipated fears are, fortunately, often not translated into reality.

Even in the relatively few instances of change being indicated, parents were sometimes reluctant to perceive it as being connected with registration, commenting on their possibly being influenced by the passage of time or specific events such as an interstate move. However, others were insistent that the changes were a direct effect of the intervention of the Child Support Scheme.

As shown in Table 4.10, non-recipient custodians who reported change were more likely than those whose child support was being paid through the Child Support Agency to report that the relationship had deteriorated (34 per cent versus 16 per cent), and that visits had stopped (34 per cent versus 20 per cent), but recipients were slightly more likely to identify a reduction in visits since registration had occurred (11 per cent versus 10 per cent).

Less contact or the termination of visits after registration was obviously the most common change reported by both groups. Non-recipients indi-

Figure 4.8: Perceived impact of the Scheme on the custodial parent's convenience

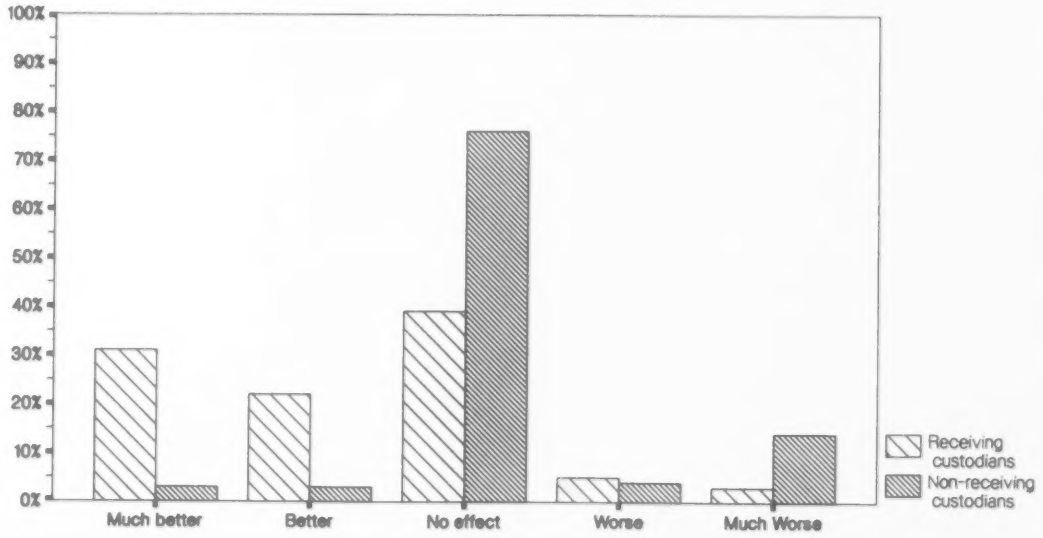


Figure 4.9: Perceived impact of the Scheme on the relationship between the children and the other parent

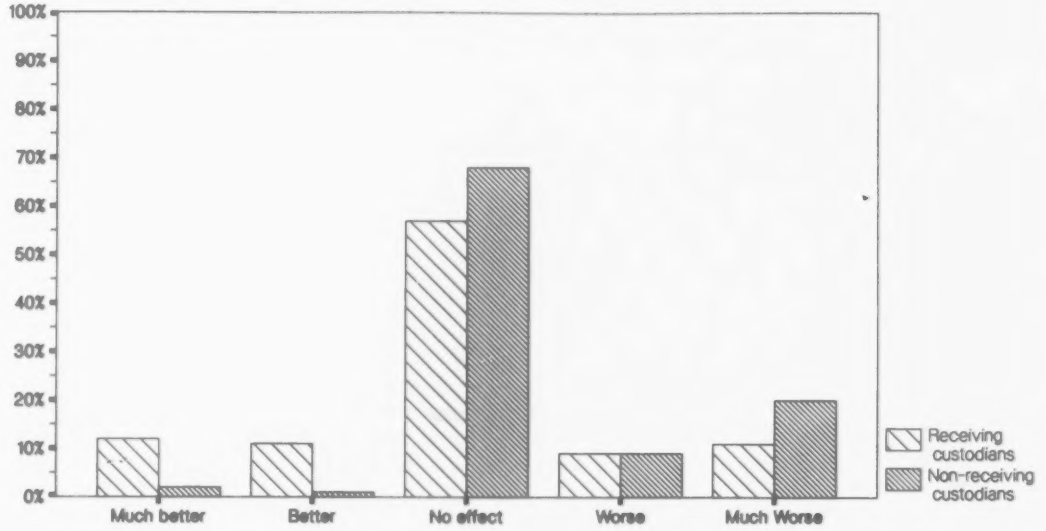
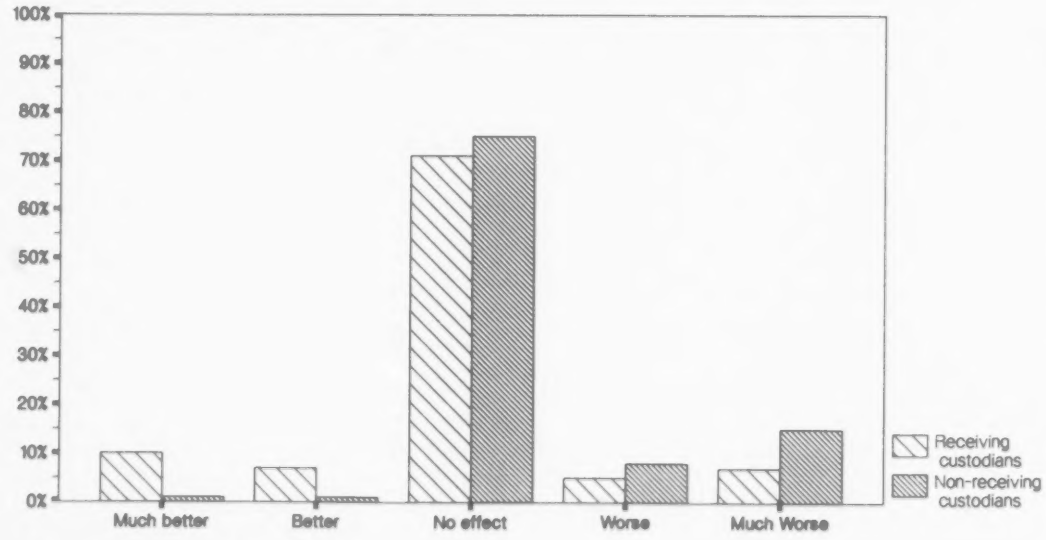


Figure 4.10: Perceived impact of the Scheme on the relationship between the custodial parent and the child's other parent



cated that lack of contact was related to the non-custodial parent's desire to avoid being caught by the Agency or the custodial parent:

'Because we won't pay me he avoids myself, the children and the Agency. He has not seen his children in over two years.'

'Won't or hasn't been in touch apart from one birthday card with no return address since the Agency traced him.'

'He had seen the children through the year and Christmas — after registration he wouldn't even let his parents know where he lives — he didn't show up at Christmas. He is trying to avoid making payments.'

Recipients of child support who referred to changes in visiting patterns frequently perceived this as being due to the other parent's resentment at being brought into the Scheme.

'My ex-husband never paid for approximately five years and as I registered with the Agency, he refused to see them and stopped making contact.'

'As he had not paid for three months, I put him into the Child Support Agency. He was furious and threatened me. As he did not have to come with the maintenance, his visits got fewer and fewer until he stopped coming altogether.'

Although the 'deterioration of the relationship' is a broad category, responses within it fell into two discrete groups. Non-recipients' reports showed that their children had become aware of their other parent's refusal or reluctance to pay child support, and were angry or hurt because of it, or that the non-custodial parent complained to the children about being pursued for money.

One mother who was receiving no payments said:

'The children are aware that their father is avoiding maintenance, and that the lack of money creates a hardship on all of us.'

Another said:

'They think less of their father for not paying and helping them with food, clothes, school needs etc.'

There were some indications that registration had opened up old wounds, which in the case of non-recipients was all the more galling because the other parent was still not making any financial contribution to the children:

'He was nasty but he had stopped being dangerous. It stirred everything up, he got nasty again.'

'He is extremely angry and says he'll avoid paying at all costs. Thinks it's a huge joke and attacks me through the boys and undermines all I do with the children.'

'He has become violent in public places and his wife has threatened me over the phone.'

'Yes, he phoned me to say he would never pay anything and threatened to kill me and the children.'

Recipients mentioned resentment by their child's other parent at being required to pay at all, and complaints about the amounts paid had soured the relationship between the children and the non-custodial parent.

'He reminds them constantly of how much they cost him each week.'

'He has become even meaner with the children — won't buy them anything or take them on a decent outing, harps at them that I have all the money and he is poor and criticises their clothing etc., saying I don't spend the maintenance on them.'

'He constantly reminds the children that he supports them — as if he's doing them a favour.'

The refusal to pay anything additional to the periodic amounts ordered was mentioned by several recipient custodians. However, as mentioned, additional payments were made most unusually either before registration, or at the time of the survey. Chapter 3 refers to a reduction in non-periodic payments made by both registered and non-registered non-custodial parents.

Custodians who were in receipt of child support via the Child Support Agency were more likely to report an improvement in the children's relationship with the non-custodial parent (which was often seen as an improvement in *their* relationship with that parent). Some also considered the financial contribution from the other parent to have benefits over and above the obviously financial ones. The removal of payment as an issue between family members was an obvious relief for some, others believed the children were happier as they knew their other parent was paying towards their upkeep.

'He's become more peaceful in that maintenance is no longer an issue.'

'Children felt better because the financial situation is fairer, and their mother is more relaxed and happier because of better financial support.'

'It has helped having someone else chasing him for maintenance because he does not hassle me about it. Which always caused tension for our child.'

'My son feels good that we have the extra money and that his father might just care for him after all.'

'There is less tension over money. He never wanted to pay me anything so decided to go for custody. Since the Child Support Agency is like a go-between, he has calmed down.'

'I think regular payments without contact between myself and my former spouse have made an easier relationship with him and the children as it has reduced tension and conflict between ex-spouse and myself.'

One custodian indicated that the damage caused by the children's father refusing to pay over a long period could not be remedied by Agency-enforced compliance:

'The children lost respect for him because he didn't want to pay to support them and

fought against it. They felt betrayed. They feel he only supports them now because he has no choice because the Agency takes it out of his pay.'

One extreme manifestation of disharmony over parenting is the extent to which either parent may initiate legal proceedings for custody or access. Respondents were asked 'Since registration with the Child Support Agency, have either you or your former partner gone to court about custody and/or access visits?'

On the issue of custody, 90 per cent of all registered custodians reported that neither they nor their child's other parent had taken any action. However, 5 per cent said they had been to court, 1 per cent said the other parent had, and 2 per cent said they both had. A lower overall proportion (86 per cent) said neither had been to court over access since registration, with 3 per cent of respondents indicating that they had, 5 per cent saying the non-custodial parent had, and 3 per cent saying they both had. The initiation of legal proceedings over children was not affected by registration.

Another possible consequence of the Child Support Scheme was a large increase in the numbers of custodial parents seeking a maintenance order or variation so that they might benefit from the collection procedures of the Agency, or being required to take action for maintenance against their child's other parent in order to be eligible for a sole-parent pension. Independently of the concern of court administrators about workloads brought about by maintenance cases, and parents' oft-repeated objections to legal proceedings, the low amounts of 'old' orders cry out for regular reassessment to take account of the impact of inflation and changed parental economic circumstances.

In fact, the impact on the courts as reported by registered custodial parents in this phase of the evaluation was low. Only a small proportion had had to obtain a court order or court-approved agreement in order to register with the Child Support Agency, as 91 per cent of both pensioners and non-pensioners reported that they already had one or other of these in place when they decided to register. The remainder had to initiate some proceedings in order to have their child support enforced by the Agency, and in some cases to become entitled to the pensions they were claiming.

Pre-June 1988 and Post-June 1988 Separations

Table 4.11 examines the differences between registered custodians who separated prior to the introduction of the Child Support Scheme (94 per cent of the sample) and those who separated after that time (6 per cent). The analysis does not allow conclusions to be drawn about the extent to which the improved child support position of more recently separated custodians may be attributed to legislative change or time since separation. Both

factors may be operating simultaneously. The recency of the separation undoubtedly influences the lower rate of parents having actually divorced among the most recently separated (50 per cent of post-June 1988 separations versus 88 per cent), their lower incidence of repartnering (9 per cent versus 23 per cent), which in turn affects the proportions of pensioners (83 per cent versus 67 per cent). On the important aspect of receipt of child support, 60 per cent of the post-June 1988 separated custodians and 54 per cent of the earlier separated group had received a payment in April 1990 (Table 4.11).

Another aspect of post-separation activities which is affected by time is contact with children, with research indicating a decline as separation recedes into the past. This appears to have occurred here, with 38 per cent of the most recently separated group saying there was no contact, contrasted with 53 per cent of those who separated before June 1988. The influence of the time at which orders for payment were made is apparent in the differences between the average weekly amounts due per child for pre- and post-Scheme separations ($28.15 versus $36.94).

Table 4.11: Selected characteristics of custodial parents who separated prior to and after the introduction of the Child Support Scheme

	Post 1 June 1988 separations		Pre 1 June 1988 separations	
	(6%)	(175)	(94%)	(2611)
Relationship between parents				
Married, now divorced	50	88	71	1854
Married, now separated	35	61	12	319
De facto, now separated	15	27	11	227
Never lived together	–	–	6	161
Currently partnered	9	15	23	601
Currently sole parent	91	158	77	1986
Children				
Children don't visit	38	63	53	1323
Visit but don't stay overnight	18	29	13	325
Stay overnight	45	74	34	861
Know whereabouts of other parent	87	152	88	2263
Don't know whereabouts of other parent	13	22	12	320
		n.s.		
Economic (in)dependence				
Non-pensioner	17	29	33	843
Pensioner advised by DSS to register	51	87	44	1141
Pensioner not advised by DSS to register	32	55	23	603

continued

continued

	Post 1 June 1988 separations (6%)	(175)	Pre 1 June 1988 separations (94%)	(2611)
Sole parents who are pensioners	89	140	84	1675
		n.s.		
Demographics				
Custodial mother	99	173	98	2583
Custodial father	1	2	2	47
		n.s.		
Pre-registration experience				
Receiving child support prior to registration	45	75	34	864
		n.s.		
Court order/agreement already in place	82	140	92	2406
Had to get court order/agreement to register	18	30	8	208
Original court order	67	113	69	1774
Variation of court order	9	15	18	451
Original court approved agreement	20	33	8	196
Variation of court approved agreement	4	6	5	120
		n.s.		
Family Court	51	85	44	1081
Magistrate's Court	49	81	56	1381
		n.s.		
Private lawyer	36	63	29	754
Legal aid	57	99	58	1506
No legal representation	7	12	14	352
		n.s.		
Maintenance				
Receiving child maintenance	60	105	54	1426
		n.s.		
Receiving spousal maintenance	8	59	6	146
		n.s.		
Currently receiving extra payments	2	4	4	113
		n.s.		
Recipients only:				
Mean weekly maintenance paid (all children) before CSS	$40.16	100	$23.08	1351
Mean weekly maintenance paid per child after registration	$34.79	100	$27.07	1360
Mean weekly maintenance due per child after registration	$36.94	98	$28.15	1363

Note: n.s. signifies not statistically significant at $p<.001$

Pensioners and the Child Support Scheme

Because of the additional focus on sole-parent pensioners in the Child Support Scheme, it was important for the Institute's evaluation to concentrate on their incidence, experiences, and the impact of specific provisions on them.

The introduction of the Scheme in June 1988 created potentially different types of separated parents; those who were required to seek child support from their child's other parent, and those who were not. The former group is composed of parents in receipt of income-tested pensions or benefits, and is restricted to those who became eligible for public support on or after 1 June 1988. Custodians falling into this category are required to take reasonable action for maintenance as a condition of their eligibility for payment. Failure to satisfy the Department of Social Security within three months of the 12-week, post-grant interview may result in a pension being refused or cancelled. The reasonable action requirement is most commonly satisfied by a pension claimant commencing legal proceedings to obtain a court order or agreement. However, proof of the payment of voluntary maintenance may be sufficient, as may proof that a court has refused to make an order. Exemption from the requirement is available where paternity cannot be proven, there is a fear of violence, or attempts to obtain payments may disrupt the domestic affairs of either parent.

When its enforcement was foreshadowed in the 1988 Social Security Act amendments, the renewed reliance on the reasonable action requirement was viewed with much concern by those working in the legal system, as well as by welfare and women's groups. There were fears that the courts would be inundated with time-consuming applications, that the legal aid budget would be stretched, and women would be inconvenienced, stressed and/or frightened by the need to initiate legal proceedings. Anecdotal evidence from legal aid and child support workers suggests that problems have occurred in different regions, but their overall incidence is unknown.

Custodial parents who were already in receipt of a Sole Parent Pension in mid-1988 are not required to take reasonable action to obtain support from the other parent, unless they have an unpaid order or registered agreement which was made on or after June 1985. Most pre-Scheme pensioners would therefore be expected to have no contact with the Scheme or the Agency.

In terms of the overall incidence of sole-parent pensioners, the percentage of those whose entry into the Scheme has been the result of some form of intervention by the Department is very small, and the maximum size of this group is also fixed. (The introduction of the administrative assessment procedure now prohibits courts from being involved in the making of maintenance orders, and there are different requirements for Stage Two pensioners.)

Nevertheless, the proportion of pensioners declaring the receipt of main-

tenance income increased by 11 per cent, from 26 per cent to 37 per cent, in the first two years of the Scheme's operation (CSEAG 1990). The Child Support Scheme imposed no obligation on non-pensioners to seek maintenance from their child's other parent. They merely have to notify the Agency once a registrable maintenance liability is obtained. They may then elect whether or not they wish to remain in the Scheme, and may opt out or in at will. Estimates of the numbers of non-pensioners who might be motivated by the presence of a collection system either to obtain orders, or to enter the Scheme to have existing orders enforced, were particularly difficult to make before Stage One was implemented. Its acceptance by the wider group of eligible parents depends on a number of factors, depending on the parent's particular situation. These may include the extent of knowledge of the Scheme, the perceived and actual successes of the Agency's enforcement procedures, the availability of legal aid or sufficient funds to allow proceedings to be initiated, courage to take maintenance action, or the cooperation of the other parent.

Table 4.1 shows that 69 per cent of all registered custodians in the evaluation were pensioners, which is identical to the Child Support Agency data for clients registered in April 1990 (Chapter 2, Table 2.3).

Table 4.12 shows the differences and similarities between pensioners whom the Department of Social Security had and had not advised to register with the Child Support Agency. Respondents would interpret

Table 4.12: Selected characteristics of pensioners advised and not advised by the Department of Social Security to register with the Child Support Agency.

	Pensioners advised to register (65%) %	Pensioners not advised to register (35%) %
% separated before June 1988	93	93
Maintenance liability in place before decided to register	92	91
Receiving payments before registration	29	45
Pensioner immediately before coming into Scheme	96	91

Table 4.13: Registered custodial parents: sole parent pension receipt prior to the decision to register, and at the time of the survey.

Pensioner before decision to register:	yes	yes	no	no
Pensioner at time of survey:	yes	no	yes	no
Per cent of respondents	65	11	4	20

'advised' in a number of ways. However, the high proportion of all advised pensioners who had separated before June 1988 and whose unpaid orders were already in place before registering suggests that the Department's role regarding these parents was to encourage compliance rather than to require the taking of maintenance action. These custodial parents would be expected to form a small proportion of all sole-parent pensioners in the population.

All registered custodial parents were asked whether they were receiving a government pension or benefit (for example, Supporting Parent Benefit, Widow's Pension, Austudy) at two time points — the time of the survey, and immediately before coming into the Scheme. Table 4.13 shows the responses provided to these questions.

The largest group of registered custodians was pensioners at both times, and the smallest group had become pensioners by the time of the survey but had not been granted a pension when they decided to register with the Agency. Excluding the group who were not in receipt of pensions at either time, 80 per cent of sole-parent pensioners were in this category both at the time they decided to register and at the time of the evaluation.

Maintenance income test

Another aspect of the Child Support Scheme involves the application of the maintenance income test in relation to sole-parent pensioners. This test applies in conjunction with the normal income test, and allows the recipient to receive $15 per week in child support for the first child and $5 per week for each additional child (or, as described in Chapter 3, $10 per week for the custodian and $5 for each dependent child). Amounts exceeding these reduce entitlement by 50 cents in the dollar. The test applies to current pensioners regardless of the date on which they became entitled to income-tested public support.

Registered custodial parent pensioners were asked a number of questions about their level of understanding of the maintenance income test, their attitude towards it and the extent to which its application had made an impact on their pension entitlement.

The first question was: 'Since coming into the Scheme has maintenance changed the level of your pension/benefit?' Forty-eight per cent of all pensioners indicated that their pension or benefit had been reduced since they had entered the Scheme, 12 per cent thought it might be reduced in the future, and 40 per cent reported no change. Obviously, pensioners receiving payments in the form of child support were the only ones actually affected by the application of the maintenance income test. Eighty per cent of recipient pensioners said payments had reduced their pensions (contrasted with 8 per cent of non-recipient pensioners), another 2 per cent said there had been no reduction yet but they expected it in the future (versus 26 per cent), and 18 per cent said they had experienced no pension reduction (contrasted with 66 per cent of pensioners who were not receiving child support payments).

Towards the end of the questionnaire all respondents were asked: 'As part of the Child Support Scheme reforms, earned income and maintenance income are separated when the Department of Social Security determines a person's pension entitlement. How familiar are you with the way in which this new system operates?' Table 4.14 illustrates the responses to this question provided by both pensioner and non-pensioner respondents.

As would be expected, and as Table 4.14 shows, current pensioners were more likely to claim that they had an adequate understanding of the provisions than non-pensioners (42 per cent versus 26 per cent), but 29 per cent of pensioners said they had heard of them but did not know how they worked, and an additional 29 per cent said they were not familiar with the arrangements at all. As the maintenance income test is inoperable if no support payments are made, the responses of pensioners were then examined according to whether they were child support recipients or not. This analysis showed that pensioner non-recipients were somewhat more likely than pensioner recipients to indicate that they either did not know how the maintenance income system operates (31 per cent versus 28 per cent) or said they were not familiar with it at all (34 per cent versus 24 per cent). The level of understanding is disappointing, with more than half the group for

Table 4.14: Understanding of the maintenance income test by pensioner status

	% Pensioners	% Non-pensioners
Have an adequate understanding of the new system	42	26
Have knowledge of, but don't know how the system works	29	26
Unfamiliar with the new system	29	48
N	1917	862
Significance	p<.0001	

Table 4.15: Attitudes to the maintenance income test by pensioner status

	% Pensioners	% Non-pensioners
Strongly agree	18	29
Agree	28	32
Neither agree nor disagree	35	27
Disagree	10	6
Strongly Disagree	9	6
N	769	220
Significance	p<.0001	

whom the test is directly relevant reporting being unsure or totally unfamiliar about its operation.

Those pensioners and non-pensioners who indicated that they had an adequate understanding of how the new system works were asked how strongly they agreed with it, how it had affected them, and in what way.

Table 4.15 shows the levels of agreement or disagreement with the new arrangements for these respondents. As expected, pensioners' attitudes to the income testing arrangements were more likely to be negative than were those of non-pensioners. However, half were supportive, in that they agreed (28 per cent) or strongly agreed (18 per cent) with the maintenance income test, just over one-third (35 per cent) were non-committal, saying it was okay, and the remaining 19 per cent were equally likely to disagree (10 per cent) or strongly disagree (9 per cent). Respondents were then asked whether the new arrangements had affected them in any way. Only 22 per cent of pensioners said they had been affected, a figure which included 10 per cent of recipient and 29 per cent of recipient pensioners.

The exclusion of the assessments of those who were uncertain or quite unfamiliar with the maintenance income test may account for the discrepancy with the question asked earlier on the proportions of pensioners affected by the test, and indicates a certain degree of confusion among these custodians. Twenty per cent of this smaller group had been affected by the new arrangements in some way and 35 per cent of these were pensioners. Nearly all (95 per cent) chose to explain in an open-ended question how they had been affected. Although support for the income testing arrangements had been surprisingly strong (Table 4.15), the comments were overwhelmingly negative. The most common was that the amounts allowed were meagre and made it impossible for pensioners to gain anything out of the Scheme. Other respondents were more specific in their concerns and referred to problems of adjusting payments of arrears with pension amounts, and of the loss of benefits such as housing concessions because of higher than permitted child support payments being made. Another group of answers involved claims that the new test was a disincentive to paid work, or a disincentive to seeking higher amounts of child support.

General complaints about the size of the test were common, and the following comments illustrate their tone.

'It destroys initiative to break out of the system and rise above circumstances. You get locked into the system. You need to be able to earn and keep more earnings to feed, clothe and educate children adequately . . . I know it's hard to find a happy medium, but custodial parents need more support . . . I am lucky now to have a job but I feel how desperate some genuine battlers get.'

'I would like to voice my opinion on the level of maintenance allowed before deductions are made from Social Security payments . . . It is almost saying that the second and subsequent children do not cost the same to feed and clothe and shoe. A more reasonable amount would be $15 per week for each child. Life is difficult enough and even though the Child Support Agency has helped, it is almost

impossible to exist . . . 95 per cent of sole parents are that way out of necessity, and as the children we are rearing are part of Australia's future we should not be made to feel we are second-rate citizens. A fairer share of that maintenance support would help, and the cost to the Government would still be reduced.'

'I consider that I earn the maintenance payments for my children from my former husband for the care and continuing vigilance to their education and wellbeing — about which he chooses to be blithely ignorant!'

Another major concern was the loss of fringe benefits. Many respondents made reference to the loss of State-provided benefits, particularly housing/rental concessions, as a result of the application of the Commonwealth-imposed income test:

'I would like to state how I deplore the policy of the State's (WA) government housing body (Homeswest) in increasing excessively their house rents once a person/tenant acquires a little extra income.'

'I totally disagree that the amount of maintenance received is taken into account with regard to rent in Public Housing. The maintenance is presumably for the children, not the Government.'

'It's wrong that my maintenance affects my rent. I still have three kids to support. More money from maintenance causes Queensland housing commission to increase my rent!'

'The new maintenance order (Child Support Scheme) is fantastic but the only problem I have found is for the people who are living in Housing Commission flats. They are at a disadvantage. The more maintenance received the greater the rent increases. This is quite unfair as maintenance is for the child's upbringing.'

The lump sum payment of accumulated arrears by the other parent was perceived by some pensioners as being a disadvantage, as it often altered their pension or fringe benefit amounts.

'If I get paid the back payments (in a lump sum), the Department of Social Security says my pension will be taken away even though the money was due. Unfair!'

'As maintenance is classed as income, the loss of concessions makes it very difficult to manage, especially when payments fall behind for months at a time . . . I don't agree with the system in the respect that when payments fall behind . . . that $15 free area still applies and the balance increases simply because of the loss of concessions which in my case eats up the $15 allowed. The months that he doesn't pay I still have to pay that extra $15 per week and my pension goes back to the maximum rate which only gives me an extra $10 per fortnight. I don't think that's fair — do you? After all, it's not my fault he doesn't pay and I think $15 should be allowed for each week he owes and Department of Social Security deduct the amount they have increased the pension for the period of non-payment.'

'If a large sum of arrears is paid it is a larger slice of social security benefits taken.'

103

'They reduce your pension if back payment is made in lump sum. You are penalised for this as extra income. It is for the use of the child. How can one pay school fees, feed, clothe and sustain an average teenager on $30 per week?'

Although many of the amounts ordered are patently inadequate and have remained static for several years, several pensioners indicated the lack of incentive for them to have payments increased.

'It took me a lot of time, effort and expense to acquire my variation which I still haven't received. Now when I do, my pension will be almost nothing because of back money and then, when it's back to normal, the Government will still keep 50 cents in the dollar.'

'I spent a lot of money taking my ex-husband to court because I wanted for my children an extra $50 a week maintenance so they could have a better quality of life. I got it okay but what does Department of Social Security do? Decrease my pension by $50. It stinks! How can anybody be a winner when the Government keeps you down?'

'It recently took me 12 months to get an increase in my maintenance after waiting for legal aid approval and court dates. I got $30 a week rise. After the pension and the Department of Housing were finished with it, I got $12 a week. I wonder was it worth all the trouble?'

'If I wanted an increase of $20 per week in maintenance, my ex-partner would have to pay an extra $40 per week which he couldn't afford. So I wouldn't bother.' 'A court order of $70 per week has a net gain of only $42.50 per week. Paying parent thinks we are greedy to ask for $70 per week and is very angry about it.'

Fluctuating payments were obviously a problem for some parents.

'Initially I was on a pension and working on a casual basis and my pension was being constantly adjusted. I found that the method of averaging my wage for my next month's pension sometimes left me behind what I felt I was entitled to.'

'Cannot budget because I never know how much the Child Support Agency will pay next month and therefore can't count on pension amount either. Both these payments have been yo-yoing for nearly two years now. As stated, you are penalised when you try to help yourself — lose concessions, can't get help with retraining — so in effect I work half my hours for nothing and have no security or benefits such as sick pay and paid holidays.'

Attitudes to Child Support Scheme

In order to assess the attitudes of registrants to the main objectives of the Child Support Scheme, respondents were asked to what extent they agreed with the following propositions relating to child maintenance reforms:

- 'generally increasing the amounts to be paid for child maintenance';
- 'using the taxation system to collect maintenance';

- 'requiring those receiving pensions or benefits to seek maintenance';
- 'relating the amount of maintenance to the income of the non-custodial parent'.

Responses were measured on a five-point, pre-coded scale ranging from 1 (strongly agree) to 5 (strongly disagree).

Not surprisingly, as shown in Table 4.16, 86 per cent of registered custodians supported increasing child maintenance levels, while only 5 per cent disagreed or strongly disagreed. Custodians who were receiving maintenance were slightly more in favour of this aspect of the reforms than were those not receiving maintenance. There was essentially no difference between the attitudes of pensioners and non-pensioners.

A similar level of support was expressed for using the tax system to collect maintenance. Table 4.16 shows that 88 per cent of registered custodians were in agreement, while 5 per cent disagreed or strongly disagreed with this aspect of the Scheme. Responses were not significantly different between those receiving and not receiving maintenance nor between pensioners and non-pensioners.

Support for requiring pensioners to seek maintenance was expressed by 82 per cent of registered custodians, while 8 per cent expressed opposition. Custodians receiving maintenance were more likely to support strongly compelling pensioners to seek maintenance. Consistent with findings in the Institute's interim report *Who Pays for the Children?*, no significant difference was found between the attitudes of pensioners and non-pensioners on this proposition.

The Stage Two principle of relating the amount of maintenance to the income of the non-custodian was accorded less support than were the other three propositions which were applicable to Stage One reforms. Nonetheless, more than three-quarters of registered custodians agreed or strongly agreed with this aspect of the Scheme. Custodians not receiving maintenance and those not in receipt of a pension or benefit were slightly more opposed to this reform.

In an effort to assess respondents' views of the Scheme as a whole, a principal components analysis was performed to identify whether combining all four attitudinal items would produce a single, valid measure of Scheme support. As shown in Table 4.17, all Stage One reform measures load quite highly on the 'Scheme' factor (.71 to .73). The Stage Two reform, while having a substantially lower factor loading (.57), also loads on the 'Scheme' factor, indicating that all four items are significantly correlated to form a composite measure of attitudes to the Scheme.

A summated scale of Scheme support, ranging from 0 (total opposition) to 1 (total support), was then created. Mean scores of this measure, as presented in Table 4.18, show that registered custodians (.82) are very supportive of the Scheme. Custodians who are receiving maintenance are slightly more supportive than those not receiving (.84 and .80 respectively). There was no difference between the support of pensioner and non-pensioner custodians (with both groups scoring .82).

Table 4.16: Attitudes to the major objectives of the Child Support Scheme by pension status and receipt of maintenance: percentage distributions.

	Registered custodians	Receiving	Not receiving	Pensioners	Non-pensioners
Increasing amounts to be paid for child maintenance					
Strongly Agree	59	66	50	58	60
Agree	27	23	33	28	26
No Opinion	9	6	12	9	9
Disagree	3	3	2	3	3
Strongly Disagree	2	2	2	2	2
N	2692	1486	1206	1846	846
Significance		p<.0001		n.s.	
Using the taxation system to collect maintenance					
Strongly Agree	66	67	66	65	69
Agree	22	21	23	22	21
No Opinion	7	6	7	8	5
Disagree	3	4	2	3	3
Strongly Disagree	2	2	2	2	2
N	2722	1487	1235	1875	848
Significance		n.s.		n.s.	
Requiring pensioners to seek maintenance					
Strongly Agree	54	59	48	53	57
Agree	28	25	33	30	25
No Opinion	10	10	11	9	12
Disagree	5	4	5	5	3
Strongly Disagree	3	2	3	3	2
N	2663	1458	1206	1838	825
Significance		p<.0001		n.s.	
Relating maintenance to the non-custodians' income					
Strongly Agree	46	51	39	46	46
Agree	31	28	34	32	28
No Opinion	11	10	12	12	10
Disagree	7	6	9	6	9
Strongly Disagree	5	5	6	4	7
N	2608	1445	1162	1791	817
Significance		p<.0001		n.s.	

Table 4.17: Principal Components Analysis: attitudes to Scheme objectives

	Factor loading	Communality
Increasing amounts of child maintenance	.71	.51
Using the taxation system for collection	.73	.53
Requiring pensioners to seek maintenance	.73	.54
Relating maintenance to income of the NCP	.57	.32
Eigenvalue	1.91	
% of variance	47.1	

Table 4.18: Scale means

	Registered Custodians	Receiving	Not Receiving	Pensioners	Non-pensioners
Mean	.82	.84	.80	.82	.82
Standard deviation	.17	.17	.17	.17	.17

Table 4.19: OLS regression analysis of determinants of attitudes to the Child Support Scheme

	b	Beta
Age (in 10 year groupings)	.03	.11*
Sex	.05	.04
Household income (in $'000)	.00	.04
Pension status	.00	.00
Employment status	−.02	−.04
Current partnership status	−.01	−.03
Married to former partner	−.02	−.05
Time since separation (in years)	.00	.04
Children ever see their other parent	.00	−.01
Relationship between NCP and children	.01	.03
Amount maintenance due	.00	.05
Any maintenance paid pre-Scheme	.00	−.01
Any maintenance paid through Scheme	.02	.11*
Constant	1.00	
R^2	.04	

*Denotes statistically significant at $p<.0001$

The composite support measure was then regressed on a number of independent variables to assess the relevant impact of factors on attitudes. Table 4.19 shows that the main factors affecting support for the Scheme are age and the receipt of maintenance (Beta = .11 for both variables). The effect of these variables, however, is quite small. When controlling for all other characteristics in the analysis, custodians who are receiving maintenance through the Scheme are 2 per cent more likely to support its aims than are those not receiving maintenance. In addition, older custodians are slightly more likely to support the Scheme. Consistent with earlier findings, factors such as income, employment status, pension status, relationship to the non-custodial parent and access have no significant effect on attitudes to the Scheme.

Other comments

At the end of the questionnaire, respondents were asked whether they had any comments to make on the subjects raised in the evaluation. Forty-three per cent of custodians used this as an opportunity to make one or a series of complaints, suggest improvements in the Child Support Scheme (or the questionnaire) or, less commonly, congratulate the Child Support Agency and its staff on a job well done.

The most common 'cluster' of comments made by custodial parents related not to collection but to quantum. They were disappointed at the inadequacy of the amounts ordered. Their concerns included references to the difficulties associated with having the amounts payable increased by the courts, to the erosion in value of child support because of inflation, or specific comments as to why child support could not be calculated according to the other parent's income. The introduction of the Stage Two procedures between the first and second phases of the Institute's evaluation undoubtedly affected the nature of the comments made, since knowledge of the general principles of administrative assessment and its relationship to the income of the non-custodial parent appears to be reasonably widespread among custodial parents registered with the Child Support Agency. Many suggestions made by these parents related to the indexing of amounts to the Consumer Price Index, and applying Stage Two procedures to Stage One parents.

Improvements in the collection procedures were only partially helpful for one mother who commented:

'The Child Support Agency has assisted in getting my son's father to pay regular maintenance as he only ever paid when the collector caught up with him. The system has not helped in getting him to pay adequate monies however, and I have to go through a lawyer to try to get an increase. This is expensive and difficult across States, when the man doesn't want to contribute at all.'

Many custodians obviously considered the difficulties associated with seeking additional support through the courts outweighed any benefits they

might acquire by taking this course of action. This was sometimes expressed in terms of 'hassles' with or fear of the courts or the other partner, but more commonly in terms of proceedings involving money they did not have or were loathe to spend. One mother had several reasons for wanting to avoid legal proceedings:

'As it is I don't wish to go to court for an increase because it's a lot of hassle (I hate courts), it could all be for nothing — maintenance not changed, and it might disturb the civil and workable arrangement/relationship with my daughter's father . . . the Child Support Agency should have the power to determine the amount paid by a spouse. Often blackmail, emotional or otherwise, is used by the former partner to ensure that they only pay what they want to pay. Like me, I was too scared to ask the court for an order to increase the payment as I was afraid of repercussions.'

Others objected to being the parent who was required to take the necessary steps to have amounts increased:

'The onus is still on the custodial parent (usually the mother) to initiate action. Custodial parent always suffers because non-custodial parent sees maintenance as a payment to the spouse and not for the children.'

'I would like to see my maintenance increased without having to go to a private lawyer to do so — I found that very expensive and stressful. My ex-spouse resented me for chasing him for money . . . I would approve of the Child Support Agency being able to increase my maintenance without me having to bear the responsibility for doing so.'

Many mothers were very aware of the introduction of the administrative assessment procedures and called specifically for earlier separations to be included:

'I think it is a great pity that the new Scheme, which came into being in October 1989, did not apply retrospectively to children born before that date whose parents separated before then. Making people have to apply to the court just makes more money for lawyers.'

'I would like the new financial arrangements to be made retrospective. I strongly agree with the new arrangements, but because my order was made in 1988 I must still return to the courts for more maintenance.'

'It would be a lot easier if we could increase our maintenance without the hassle of going through the wait of Legal Aid approval etc. Also for a single mum with four children I think that $30 per week is a bit ridiculous when statistics show that it takes $40 per week to support one child.'

'I just want an increase in maintenance without the court pressures.'

'For those with a court order introduced before the Child Support Scheme, they should now be automatically reassessed as to the needs of the children being supported by the custodial parent. Also additional child maintenance should be increased every six to twelve months.'

'A maintenance variation through the legal system is very costly and not just. It is also very traumatic and frustrating. The former spouse should be forced to pay according to the Taxation office data without going through the court system.'

'I just wished my arrangements with the Child Support Agency and court had come into effect at required dates so the Child Support Agency could just automatically increase the size of payments which they are doing in some cases.'

'There should be regular indexing to the cost of living through the scheme . . . It would save a lot of heartache and expense.'

The passage of time since the original order was made, and its consequent depreciation in value, was noted by a number of custodians. In some cases, the effect of not seeking maintenance increases was quite significant:

'The court said 12 or 13 years ago the amount of $15 is to be paid, and that has not been increased at all, unless I went back to court to have it increased. That would have been an extra burden to me.'

'The Child Support Agency has been a lifesaver for me. Now, I receive regular maintenance, but there is no provision for living costs as the years go by. My child's maintenance was set at $30 per week six years ago . . . I would not go back to court and fight and go through all that unpleasantness again to ask for more maintenance. I feel that maintenance payments should be yearly CPI adjusted or similar. If that had occurred, I would now be receiving between $45 and $50 a week, which would be helpful.'

'I do not believe the Scheme is fair when dealing with those couples who were separated before a certain date . . . I cannot have my maintenance increased to the appropriate amount unless I take my ex-husband to court. I am afraid of what he might insist on as far as access is concerned . . . The children are now emotionally stable and I feel it could be harmful to them at this stage to be put through further strain. I am therefore very reluctant to apply for an increase in my maintenance because I have to go through more court procedures and again confront my ex-husband.'

'There is a resistance within the local community magistrates to accept percentage of income figures as acceptable amounts for non-custodial parents to pay and therefore will not grant variations of existing orders — I know this only affects those who separated before the second phase came into effect — however it is a major problem . . . those to whom the second phase does not apply are forced to stay with existing orders or agree to very low amounts in consent orders . . . meanwhile the Department of Social Security is continually harassing the custodial parent who is on a pension into applying for increased maintenance payments — that is, the DSS forces custodial parents into another court case.'

'I wonder if in the future, maintenance of the children could be increased automatically through the Child Support Agency on an annual basis. I would like mine to be increased, but don't have the financial means to go to court. As my ex-husband

always manages to get legal aid, he is always able to fight and/or appeal any move on my part. All maintenance should surely be adjusted with national wage increases or to counter inflation.'

'I believe it unfair that all maintenance collected through the Child Support Scheme is not carried out the same way. I think all payments made should be worked out the same way – that is, a percentage of non-custodial parent's income. Anyone registered with the Agency should be treated the same regardless of any previous court orders. It means that I need to go through all the expense of court to get maintenance increased when I believe this should now be done automatically. I am thus disadvantaged. Could this not be changed to make it fairer all round?'

'I am one of those unfortunates who separated before a particular date. Why are my children discriminated against? And why do I have to keep paying costly court costs out of my meagre savings to try and get an update for them?'

'Could a system be introduced where the maintenance be increased annually to keep up with the ever increasing costs of child care?'

'It is not fair because we were unlucky enough for our marriages not to have lasted a bit longer to be able to come into the category of being looked after.'

'Maintenance increase is very hard to get off partner without a lawyer. Even then it depends on what lawyer you use and they are very costly, so you tend to back off for an increase, so partner does have it very easy, especially when he can afford a lawyer and I can't, because keeping two children is costly.'

'The law should be the same for everybody and not just those separated after a certain date. I find this totally confusing.'

Conclusions

Registration with the Child Support Agency does not guarantee the payment of child support. Just over half the custodial parents surveyed were receiving payments through the Agency, which is very similar to the proportion of all payers recorded by the Agency as paying by the due date. Although this figure is identical to the proportion of pre-Scheme custodial parents who reported compliance with their orders and court-enforceable agreements in the first phase of the Institute's evaluation, these represent two distinct populations and should not be considered in the same light.

Nearly one quarter (24 per cent) of custodial parent respondents reported that they were not receiving child support before registering with the Agency but were receiving it at the time of the evaluation. This was tempered somewhat by 71 per cent indicating that their child support position had not altered, either because they had not received payments before or after registration, or they had done so at both points, while 5 per cent had been receiving support before coming into the Scheme but were no longer doing so.

Factors such as knowledge of the other parent's whereabouts, the making of support payments before registration, and contact between the child and the non-custodial parent increased the chances of payment being made after registration.

The initial delay between registration and payment remains a concern of custodial parents long after they have come into the Scheme.

Sole parent pensioners in several States whose child support payments exceed the amount allowed by the maintenance income test are having their fringe benefits reduced because they are classified as part-pensioners.

Many custodial parents have some understanding of Stage Two of the Child Support Scheme and resent their inability to be included in it. The frequency with which they indicated that registration with the Agency had no effect on many aspects of their lives reflected both the incidence of non-payment and the low amounts paid pursuant to court orders and approved agreements. Reluctance to initiate legal proceedings (indeed to have anything to do with the legal system) accounts for the low incidence of variations and the support for administrative assessment with its updating facility.

Periodic payments were only supplemented by contributions towards items such as clothing, school costs and medical insurance in a small minority of cases, property distribution had minimal impact on maintenance levels and spousal maintenance was very rarely payable.

Recommendations

First, in the first phase of the evaluation, the Institute suggested that the problem of respondents' confusion about the operation of the Child Support Scheme could be overcome by centring 'the workload and responsibility for all client contact in a single agency.' This would also provide a faster mechanism for making payments to the custodial parent. The Child Support Consultative Group (1989) noted that the amount of time that elapses between registration and receipt of the first payment by the custodial parent is caused by the Scheme's legislative requirements. These include the requirement that where the liability is registered by the 19th of the month, the Agency must be paid by the seventh day of the following month. However, the money is not received by the custodial parent from the Department of Social Security until the first Wednesday of the following month. Where registration occurs after the 19th of the month, payment must be made by the seventh day of the following month and the Department of Social Security distributes it on the first Wednesday of the next month again.

In the Institute's view these cut-off dates are unfortunate and can result in considerable delays. Custodial parents and their children would be advantaged by the establishment of a pay on receipt system, which would involve amendments to the legislation.

The Institute is aware of the Child Support Agency's plans to assume total responsibility for payments when the level of voluntary compliance increases and resources are available. This will involve the making of direct payments to custodial parents as soon as practicable after the seventh day of the month of receipt. In such a system the Department of Social Security would be advised of the payment and pensions would be adjusted where appropriate.

Second, there needs to be coordination between the States and the Commonwealth on the flow-on effect of the maintenance income test to fringe benefits. Pensioners should not be treated differently on the basis of their State of residence.

Third, the recommendation of the Child Support Evaluation and Advisory Group that Stage Two procedures be made available, with appropriate appeal provisions, to all parents eligible for child support, is supported. There are obviously substantial differences in the amounts awarded under Stages One and Two, even when most recent orders and registered agreements are examined. Reluctance to vary liabilities through the court system is shared by many custodial parents, the rarity of non-periodic payments and property trade-offs indicates that many cases would not require reconsideration, and the annual adjustment of amounts would be much welcomed by a substantial proportion of the custodial parent population.

113

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CHILD SUPPORT AGENCY REGISTERED NON-CUSTODIAL PARENTS

MARGARET HARRISON

This chapter reports the experiences of 1225 non-custodial parents whose former partners had registered their maintenance orders or court-approved agreements with the Child Support Agency. All were 'active' cases, in that an amount of support was payable by these parents, and their addresses were known to and recorded by the Agency.

In addition to documenting their attitudes and experiences, the capacity and willingness of these parents to pay the amounts due and to pay through the Agency in prescribed manners and times are important issues addressed in this chapter. An estimate of the financial impact of their being required to pay amounts due under the Stage Two administrative formula is also relevant, as the Government is considering the elimination of present barriers on entry to that assessment procedure.

Non-custodial and custodial parents customarily have different perceptions of many aspects surrounding their separation and its aftermath. These have been most clearly documented in previous Institute studies (McDonald 1986) and are particularly obvious in their disparate accounts of compliance with maintenance orders, the extent of payment of non-periodic amounts and actual amounts paid. Non-custodial parents typically report that they pay child support, pay additional amounts, and generally do what is required of them. Custodial parents tend to consider their former partners to be, at best, poor contributors to their children's upkeep after separation.

Several discrepancies were able to be documented in the Institute's evaluation by using information obtained from the 303 former partners within the registered custodial and non-custodial parent samples. The trend from these data was for custodians to report receiving less than they were entitled to, and non-custodians to report paying more than they were obliged to. For example, custodial parents indicated that child maintenance averaging $31.66 per week per child was due, but $30.68 per child was paid, while non-custodial parents reported that an average of $30.80 per child was due each week but $34.95 was paid. The relatively small reported differences were probably associated with a high rate of agreement on whether

Table 5.1: Per cent of registered non-custodial parents by general characteristics

	%	Total N (1225)
Relationship between parents		
Married, now divorced	72	858
Married, now separated	13	159
De facto, now separated	10	119
Never lived together	5	60
Currently partnered	55	665
Currently sole parent	45	541
Know other parent's whereabouts	95	1152
Don't know other parent's whereabouts	5	56
Children		
1 eligible for child support	44	511
2 eligible for child support	38	440
3 eligible for child support	15	172
4 or more eligible for child support	3	35
Children don't visit	45	518
Visit but don't stay overnight	8	91
Stay overnight	47	554
Economic (in)dependence		
Employed	70	852
Not employed	30	357
Respondents' weekly earnings:		
none	31	357
$1–57.49	0	3
$57.50–96.49	0	4
$96.50–154.49	2	16
$154.50–231.49	2	22
$231.50–307.49	5	53
$307.50–384.49	13	141
$384.50–481.49	15	171
$481.50–577.49	12	128
$577.50–673.49	8	83
$673.50–768.49	3	27
$768.50 +	9	104
Demographics		
Non-custodial mother	1	11
Non-custodial father	99	1208
Place of residence: ACT	2	24
NSW	26	319
NT	1	10
Qld	20	246
SA	9	107

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	%	Total N (1225)
Tas	5	59
Vic	29	348
WA	8	96
Length of separation		
2 years or less	16	161
3 to 5 years	39	395
6 to 10 years	29	289
11 years or more	16	167
Pre-registration experience		
Paying extra payments prior to registration	39	433
Original court order	48	506
Variation of court order	24	259
Original court approved agreement	17	188
Variation of court approved agreement	11	121
Family Court	45	514
Magistrate's Court	55	636
Private lawyer	47	573
Legal aid	16	193
No legal representation	37	451
Maintenance		
Currently paying spousal maintenance	7	88
Currently paying child maintenance	55	672
Currently paying extra payments	28	300
Less maintenance because of property settlement	8	78
More maintenance because of property settlement	2	20
Maintenance not affected by property settlement	2	19
No property settlement	58	554
No property to divide	30	292
Weekly maintenance paid per child	$18.13	1207
Weekly maintenance due per child	$32.59	1150

support was being paid or not — 96 per cent and 98 per cent of formerly partnered custodial and non-custodial parents respectively indicated that child support was being paid.

In general, some differences may be attributable to sampling effects, with poor or non-payers being less likely to participate in surveys on child maintenance. Other differences are probably due to the very circumstances of separated families, where neither parent is aware of the other's input when the children are in the other's care, or where unresolved anger causes

them to forget or distort events and information.

The Child Support Agency samples in this evaluation allowed a sufficiently large group of non-paying registered non-custodial parents to be obtained, thus enabling possible reasons for non-payment to be explored.

Table 5.1 shows the general characteristics of the registered non-custodial parents in this phase of the evaluation. As with custodians in the previous chapter, a picture of a 'typical' respondent in this category can be assembled. He is a divorced father of one or two children for whom $32.59 per week per child is payable. He knows the other parent's whereabouts, is slightly more likely than not to have repartnered, is more likely than not to have some contact with the child(ren), and is employed. He and his former wife separated four-and-a-half years before the survey, and the maintenance liability was finalised in mid-1987 through the Magistrates Court and has remained unvaried since then. He is slightly more likely than not to be paying support to the Child Support Agency.

Payment After Registration

Registered non-custodial parents were classified as payers of child support for the purpose of the analysis where they had made a payment through the Child Support Agency in April 1990. As Table 5.1 shows, 55 per cent of registered non-custodial parents fulfilled this requirement, a figure which corresponds with the Child Support Agency data on the proportion of payments made in time for their distribution to the Department of Social Security. The criterion of an April payment proved to be a good indicator of a history of compliance, with over 80 per cent of non-custodial parents who reported making no payment in April. This indicates that they had never paid child support through the Child Support Agency, although the average number of monthly payments made by all respondents was eight. Of those who were able to provide the information, 38 per cent reported having been first notified of their support obligations by the Agency in 1988, 44 per cent in 1989 and 5 per cent in 1990. Excluding those who had not paid at all, 96 per cent of non-custodial parents reported paying the correct amount after registration according to their order or registered agreement. The average amount paid by those who were paying was $33.51 per week per child (Table 5.2).

The issue of the method of collection from the payer is discussed more fully in Chapter 7. Consistent with other indications of low automatic withholding rates, 67 per cent of paying parents indicated that they paid support directly to the Agency, and only 33 per cent said that amounts were automatically withheld from their salaries. Although a number of analyses were undertaken, the manner in which payments were made appeared to have no or little impact on the attitudes of payers to the operation of the Scheme. Because respondents either tended to claim that they either had

Table 5.2: Proportion of registered non-custodial parents paying child maintenance by selected characteristics

	% paying (54%)	Total N (1225)
Relationship between parents		
Married, now divorced	58	858
Married, now separated	52	159
De facto, now separated	43	119
Never lived together	49	60
	n.s.	
Currently partnered	59	665
Currently sole parent	49	541
Know other parent's whereabouts	55	1152
Don't know other parent's whereabouts	48	56
Children		
1 eligible for child support	57	511
2 eligible for child support	55	440
3 eligible for child support	58	172
4 or more eligible for child support	53	35
Children don't visit	43	518
Visit but don't stay overnight	81	91
Stay overnight	62	554
Economic (in)dependence		
Employed	72	852
Not employed	15	357
Respondents' weekly earnings:		
none	15	357
$1–57.49	13	3
$57.50–96.49	100	4
$96.50–154.49	41	16
$154.50–231.49	88	22
$231.50–307.49	58	53
$307.50–384.49	48	141
$384.50–481.49	80	171
$481.50–577.49	83	128
$577.50–673.49	85	83
$673.50–768.49	100	27
$768.50 +	72	104
Demographics		
Non-custodial mother	100	11
Non-custodial father	54	1208
	n.s.	
Place of residence: ACT	71	24
NSW	48	319

continued

continued

	% paying (54%)	Total N (1225)
NT	100	10
Qld	60	246
SA	58	107
Tas	50	59
Vic	53	348
WA	63	96
	n.s.	
Length of separation		
2 years or less	73	161
3 to 5 years	57	395
6 to 10 years	58	289
11 years or more	39	167
Pre-registration experience		
Paying extra payments prior to registration	68	433
Not paying extra payments prior to registration	48	686
Original court order	56	506
Variation of court order	52	259
Original court approved agreement	67	188
Variation of court approved agreement	63	121
	n.s.	
Family Court	65	514
Magistrate's Court	45	636
Private lawyer	75	573
Legal aid	24	193
No legal representation	43	451
Maintenance		
Currently paying extra payments	67	300
Currently not paying extra payments	52	791
Pay spousal maintenance	42	88
No spousal maintenance	56	1110
	n.s.	
Less maintenance because of property settlement	83	69
More maintenance because of property settlement	53	20
No maintenance because of property settlement	0	19
Maintenance not affected by property settlement	58	554
No property settlement	55	292
	n.s.	
Mean weekly maintenance paid per child as a proportion of non-custodial parents' weekly income	6.6	1140

continued

continued

	% paying (54%)	Total N (1225)
Mean weekly maintenace due per child as a proportion of non-custodial parents' weekly income	6.2	1138
Mean weekly maintenance paid per child after registration	$33.51	1206
Mean weekly maintenance due per child after registration	$31.08	1205

Note: n.s. signifies not statistically significant at $p<.001$

reliable payment patterns or were not paying at all, it was not possible to assess whether one or other form of payment was likely to result in a higher compliance rate.

Non-periodic Payments

Table 5.1 also gives a picture of the extent to which non-periodic payments were a feature of the support arrangements made. Non-custodial parents were, as would be expected, far more likely than custodial parents to report that they were making other than a periodic payment for their children. Twenty-seven per cent of non-custodial parents indicated that they were making such other contributions at the time of the survey, a reduction from the 38 per cent who reported making other payments before registration with the Child Support Agency. Chapter 3 refers to a reduction in non-periodic payments as reported by pre-Scheme custodial parents between the first and second phases of this evaluation. This suggests that time since separation is a relevant factor in the fall-off of such payments. That is, registration should not be seen as the cause of a discontinuance of non-periodic payments.

For 21 per cent of non-custodial respondents, the non-periodic payments were made in lieu of child support payments made through the Agency, for 33 per cent they were additional to their monthly contributions. Payments were most commonly made for clothing (16 per cent), recreational equipment (13 per cent) and contributions to school costs (9 per cent). Their average weekly amount when reported by parents not paying periodic child support was $6.87; by those also paying periodic child support the average was $10 per week. More than two-thirds (67 per cent) of non-custodial parents who were making extra payments also reported that they were paying periodic child support (Table 5.2). Comments from non-custodial parents in both phases of this evaluation have suggested that many maintenance obligations have traditionally been interpreted flexibly, with contri-

butions in kind sometimes taking the place of periodic amounts due.

Only 7 per cent of non-custodial parents reported making spousal maintenance payments. This duplicates findings from a number of recent studies which document the rarity of long-term financial arrangements made for the benefit of former partners (Family Law Council 1989, McDonald 1986).

The issue of property settlements and their inter-relationship with child support obligations is relevant to any consideration of the extent to which the extension of Stage Two procedures to 'old' cases might involve the unravelling of arrangements which included a maintenance component in a property settlement. As Chapter 4 documented, custodial parents rarely reported that the division of property had an impact on child support considerations, mainly because they either had no property to divide, or the issues of property and maintenance had been kept separate. Non-custodial parents also indicated that maintenance rarely had an impact on property division or vice versa. Only 10 per cent believed the maintenance figure had been influenced by the property settlement — 8 per cent resulting in less maintenance being paid and 2 per cent involving the payment of an additional amount of maintenance. The major reason respondents gave was that there was no property settlement (58 per cent) or there was no property to divide (30 per cent).

Factors Affecting Payment After Registration

One of the important questions in relation to the registered non-custodial parents is why some pay and others do not; or rather, why the impact of registration and the procedures employed by the Child Support Agency are effective in relation to some liable parents and ineffective in relation to others.

A major factor which differentiated paying from non-paying non-custodial parents was their financial capacity as measured by employment. Table 5.1 indicates the high proportion (30 per cent) of unemployed respondents among the non-custodial parent sample, and analysis of the characteristics of those who were paying (Table 5.2) shows that only 15 per cent of unemployed respondents were meeting their child support obligations. This means that the vast majority (85 per cent) of unemployed, non-paying, non-custodial parents had not varied the orders the Child Support Agency was attempting to enforce, or variations had not worked their way through the system.

Table 5.2 also replicates several findings obtained from custodial parents' accounts. These include the correlation between the nature of the parent's pre-separation relationship and the likelihood of payment being made after registration. According to non-custodial (and custodial) parents, those who separated after a de facto relationship are the least likely to pay child support

(43 per cent), and those divorced the most likely (58 per cent). There was again a correlation between continuing contact with the child and the non-custodial parent and the payment of child support. Only 43 per cent of those who said they had no contact with their children were paying at the time of the survey, as were less than half (48 per cent) of those who did not know the whereabouts of the custodial parent. Rather surprisingly, more substantial contact as measured by overnight stays did not increase the chances of payment being made; in fact the child having some contact with the liable parent increased the chances of payment by 38 per cent, overnight access increased the chances by 19 per cent.

Payment of child support was once again found to be related to the recency of the separation, even after registration. Seventy-three per cent of those separated for two years or less were paying through the Agency, a figure which reduced to 57–58 per cent for separations between three and ten years previously and reduced again, to 39 per cent, for separations of 11 years or more.

Effects on Parent–Child Relationship Since Registration With Child Support Agency

Registered non-custodial parents were somewhat more likely than custodians to report that they had contact with their children (55 per cent said they did contrasted with 48 per cent of custodial parents), and were more likely to indicate that their relationship with their children had deteriorated since registering with the Child Support Agency. Table 5.3 shows the various ways in which they saw the parental–child relationship as having changed in that period.

Thirty-one per cent of the non-custodial parents surveyed indicated that there had been some change in their relationship with their children since registration with the Agency had occurred. Those who were paying support through the Agency were more likely to indicate this than non-payers; those who were not paying were unlikely to make any comments at all.

Table 5.3: Helpfulness of information received about the Child Support Scheme: percentage distributions

	N	%
Very helpful	54	5
Helpful	363	33
Not very helpful	282	25
No help at all	353	32
No information used	61	5

There were several patterns of response and explanation provided by respondents within categories such as 'relationship deteriorated' or 'visits decreased'. A common comment was that the respondent was no longer able to afford to visit the children because he was working weekends to earn money for child support, or could not afford to travel distances to see them because the payments were excessive.

'With increased payments and court costs, I cannot afford to see them or bring them down. The former partner will not assist in travel costs.'

'In order to pay extra, my work commitments take up most of my free time.'

'Due to the distance and cost to travel with the burden of large maintenance payments, I cannot afford to see my children.'

There were several accounts of children not being seen for many years, and of non-custodial parents having unsuccessfully attempted to gain information about them.

'I don't know how the child is, neither do I know how the child looks.'

'Their mother has moved away. I don't know to where — the Child Support Agency will not pass on information. When I pay direct, I know where we all are.'

The perception of the Agency as being a buffer between the parents was generally popular with custodial parents but was resented by non-custodians. Those who objected often gave the following types of reasons: the removal of direct payments had taken away their bargaining power over the children; it had allowed the custodian to do as she wished because the money was assured; it had removed the opportunity for them to have contact with their children or be aware of the payments being made for them. The following examples are provided by way of illustration:

'My children see myself as unsupporting — I appear not to contribute. This attitude has, with the help of their mother, made me look hard to them and their response to myself is bitter.'

'By removing my right to pay maintenance directly, it has enabled my former wife to carry out her campaign of alienation between me and my children.'

'Now that she is guaranteed her maintenance, she refuses to allow me to see my kids.'

'Now that they have what they want, we are not seen by them.'

'As soon as maintenance was put through the Child Support Agency, my ex-wife moved 400 kms away, thus making access more difficult. My children have been unaware that I pay for anything in their lives.'

'I now pay the government. They refuse to say where my wife is living. The Family Court says it is not their responsibility to find out and tell me.'

'Because now maintenance payment is automatic, my ex-wife allows me access as she sees fit.'

'Before if I was late with maintenance, she'd make him ring me up. Now I do not hear from them unless I ring, and then she usually says he is not at home and doesn't pass on messages.'

'I used to see them once a week when I paid the maintenance in person.'

'My ex-wife no longer has to disclose her and children's address to me, therefore I don't know where to find the children.'

'My ex-wife has played merry hell with access arrangements since she gets maintenance without complying with the agreed court agreement.'

'They think their mother buys everything and I don't pay for anything. Even though they are minors I think the Child Support Agency should correspond with them, saying I pay.'

As was the case with custodial parents (Chapter 4), non-custodians did not always relate their parenting problems specifically to registration with the Agency, and some were also more concerned with court proceedings or other extraneous events than the Child Support Scheme.

'From a reasonably happy relationship with my children . . . to not seeing them at all after the court order, as their mother moved and remarried.'

'Because of my contesting the amount claimed in the Family Court, my child believed I did not value her.'

'The pressure due to the court case and the unsubstantiated claims made to justify the agreement resulted in a lot of bitterness which can only be addressed over a long period.'

Others commented that their relationship with their children had altered since registration because the children were older and more independent.

In general, non-custodial parents in the survey were obviously dissatisfied with the existing arrangements they had with their children. Thirty per cent said they wanted the children to live with them, an additional 42 per cent wanted to see them more frequently, and only 26 per cent were prepared to indicate that they were happy with the present custody and access arrangements. The dissatisfaction had frequently manifested itself in legal proceedings in relation to custody and, more often, access. Nineteen per cent of respondents reported that they had been to court about access since registering with the Agency, and another 11 per cent indicated that they had not done so yet but might go to court soon. Thirty-eight per cent of non-custodial parents had reportedly had court dealing themselves or at the instigation of the other parent in relation to access since coming into the Child Support Scheme.

When asked about court proceedings over custody, 4 per cent said they had been to court because of a custody dispute over the same period, 12 per cent thought they might do so soon, and 9 per cent reported that either both parents or the custodial parent had gone to court about custody. Overall, 28 per cent had been involved in court custody proceedings following their

entry into the Child Support Scheme.

In the absence of court statistics measuring the frequency of court involvement of separating parents over a several-year period, these figures cannot be said to be unusually high. However, from circumstantial evidence they would appear to be so, and are inconsistent with earlier surveys, at least with those conducted before the introduction of the Child Support Scheme and involving divorced parents (McDonald 1986).

Contact with children and the nexus between that contact and the payment of maintenance was commented on by many non-custodial parents, and the following comments are included by way of example.

'There are no real concrete rights for the non-custodial parent in relation to the upbringing and visitation access to the children living with the custodial parent. There should be rules set down by law to protect the rights of non-custodial parents, which can be enforced with effect. If it's fair to fine the non-custodial parent for late or non-payment of child support, it should also be fair to fine the custodial parent for denial of access, failure to inform the non-custodial parent of phone number changes to silent numbers and failure to advise new address, etc.'

'I think if you have done all you can and have shown you are a capable person and now are in a lasting relationship and still are blocked access, maintenance payments should be either decreased or ceased.'

Concerns About Child Support Scheme

The conclusion that inability to pay was a major cause of non-payment after registration is reinforced by Table 5.4, which ranks non-custodial parents' main concerns about being in the Scheme according to their frequency. One of the two major concerns expressed by these parents as a whole, and by non-payers in particular, is the 'do not have enough income to pay' category. In the light of the proportion of unemployed non-custodial parents in the sample, this comment appears to be reflected in reality. It was mentioned by 51 per cent of respondents. Elements such as the taking away of choice (51 per cent), the wish to have employers kept away from the procedure (48 per cent), the lack of control over how the money is spent (44 per cent) and the belief that the other parent does not need the money (44 per cent) were the major concerns expressed by non-custodial parents as a whole. Payers and non-payers ranked the categories somewhat differently, as the Table shows.

Concern about relationships with children (see previous section) was mentioned by 31 per cent of respondents, and was more likely to be an issue with non-payers of child support than payers (41 per cent versus 24 per cent). The statement that payment should not be enforced because there was no access was also mentioned by 36 per cent of all respondents (46 per cent of non-payers and 28 per cent of payers).

Examples of the open-ended comments made by non-custodial parents at the conclusion of this chapter amplify the findings set out in Table 5.4.

Time Between Notification of Registration and Payment

One obvious difference in the experiences of custodial and non-custodial parents occurs in their perceptions of any delays or other 'hiccups' in the system. The time taken between registration and the first payment is not an issue of concern for payers as it is for custodial parents. Non-custodial parents must make payments to the Agency in time for the money to be made available to the Department of Social Security for its disbursal on the first Wednesday of the following month. Unless an order has been obtained just prior to registration, these parents are usually only made aware of the registration process when it is well underway and, of course, are not

Table 5.4: Non-custodial parents' main concerns about Child Support Agency registration: percentage distributions

Concerns	Total registered non-custodians	Payers	Non payers
Do not have enough income to pay	51	32	74
The Scheme takes away my choice	51	51	50
Do not want my workplace involved	48	48	49
Should not pay since I have no say in how it is spent	44	43	45
Other parent does not need the money	44	38	51
Scheme is not necessary since I always paid regularly before	40	52	26
Money is not spent sensibly	40	41	39
Interferes in private matters between parents	37	27	49
Should not pay since I do not see the children	36	28	46
Money is not spent on the children	36	37	35
Creates/increases problems over custody/access	31	24	41
Do not want do pay maintenance	29	21	39
My new family makes a difference	27	25	31
It helps avoid conflict over money	22	36	4
Automatic payment makes it easier to budget	20	30	8
Scheme makes paying easier	16	26	3
Feel no obligation to support the children	12	8	18
N	1193	667	526

Note: Multiple response item — 'Listed below are some comments made by some parents who pay child maintenance through the Child Support Agency. Would you please indicate those with which you agree.'

personally disadvantaged by the start-up time. Thirty-seven per cent of non-custodial parents reported that the period between their being notified by the Agency that child support was payable and the date of their first payment was less than one month, an additional 38 per cent said it was one month, and 13 per cent reported it as being two months. Put another way, 88 per cent of these parents said two months or less elapsed between notification and first payment.

Information about the Scheme and Attitudes

Non-custodial parents were asked a series of questions concerning the help and information they had received about the Scheme. These were identical to the questions asked of custodial parents, although the nature of non-custodial parental involvement was sufficiently different for their answers to differ considerably. Table 5.5 sets out the major sources of information for these parents and shows the importance of the Agency and the relative importance of the legal system (courts and lawyers) and the media (print and electronic) as providers of information. As expected, the Department of Social Security played a very minor role in the dissemination of information

Table 5.5: Main sources of information about the Child Support Scheme: percentage distributions

Main sources of information	Total registered non-custodians	Payers	Non payers
Department of Social Security	10	7	13
Child Support Agency	67	72	61
Government 'hotline'	1	1	1
Lawyer	15	18	12
Legal Aid Office	4	3	6
Community advice/legal advice organisations	2	2	2
Courts	15	16	14
Friends/relatives	5	4	7
Other parent	9	9	9
Television	6	4	8
Radio	6	3	9
Newspapers	12	13	12
Magazines	3	2	3
Other	15	11	21
N	1169	654	516

Note: Multiple response item — 'What were the main sources of your information about the Scheme?'

to non-custodial parents, and would presumably only be sought out by parents who themselves were pensioners.

Respondents were asked to rate the information, correspondence, and in-person or telephone contact from the Child Support Agency, and Figure 5.1 sets out their responses on each dimension. To put these figures in perspective, it must be reported that 69 per cent of the sample commented on general information, 63 per cent on correspondence and only 54 per cent commented on in-person or telephone contact with Agency staff. In examining the responses of those reporting contact, attitudes were shown to be generally negative, with only 35 per cent, 34 per cent and 41 per cent respectively prepared to report that they were happy or very happy with the service provided. Views are likely to be 'tainted' by general dissatisfaction at being brought into the Scheme; as the Figure illustrates, non-payers were more likely to be critical of the Agency than payers, which might have been related to their being pursued for payment.

The level of ignorance of the Scheme among non-custodial parents was also seen to be high. At the time they were registered just over one third (38 per cent) of respondents reported having what they considered to be an adequate understanding of how the new arrangements were going to affect them. There were marked discrepancies in the levels of understanding between payers and non-payers (48 per cent and 24 per cent). At the time of the evaluation, 65 per cent of all non-custodial parents said they had an adequate understanding of the Scheme, but the variation between payers and non-payers was maintained (79 per cent versus 47 per cent).

Other indications of dissatisfaction with the Child Support Scheme, which might have influenced attitudes to the Agency itself, were found in non-custodial parent responses to questions asking them to rate their feelings about the way they were paying maintenance, and to compare their pre- and post-registration situations. Tables 5.6 and 5.7 set out the responses of those who were paying child support at the time of the evaluation.

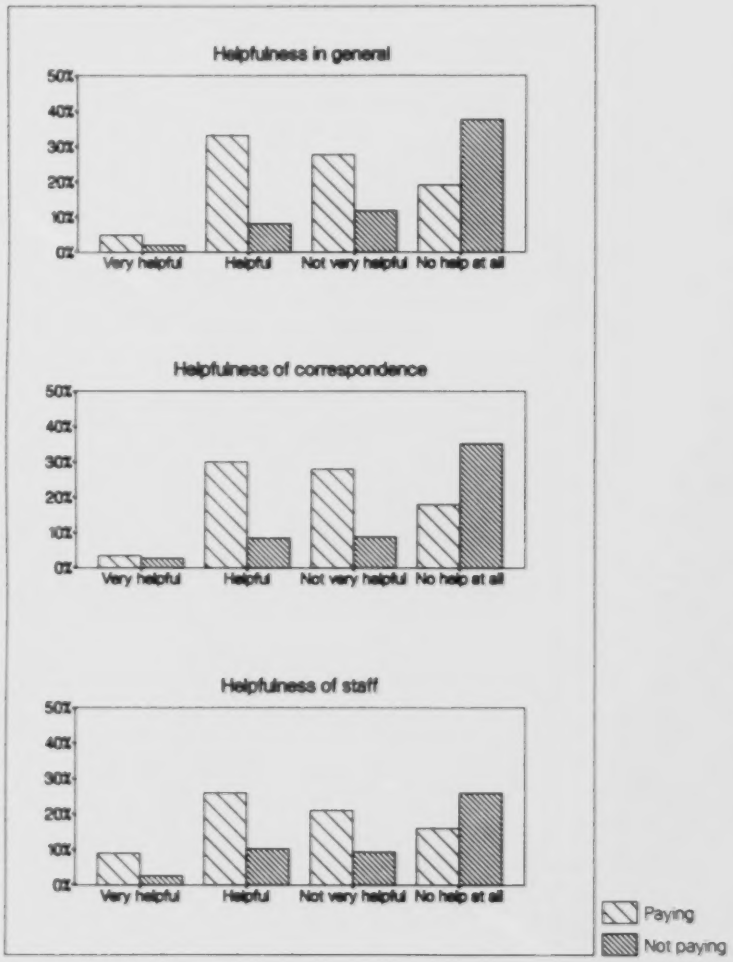
On the dimension of happiness with the way in which they were paying maintenance through the Scheme, there was a distinct reluctance by respondents to express anything other than an equivocal 'it's okay' (36 per cent) or some degree of unhappiness (15 per cent unhappy and 34 per cent very unhappy).

In comparing their pre- and post-registration maintenance arrangements, non-custodial parents paying through the Scheme were unlikely to indicate that they were actually worse off, with the modal group (36 per cent) assessing their maintenance arrangements as being about the same as they were before registration, and 11 per cent reporting that they were better off.

Non-custodial parents are also considerably opposed to the main objectives of the Scheme, as shown in Table 5.8.

When asked their opinion of increasing amounts to be paid for child maintenance, over two thirds said they disagreed or strongly disagreed. Those who were paying maintenance through the Scheme expressed greater

Figure 5.1: Non-custodial parents' perception of information or help provided by the Child Support Agency according to payment or non-payment of child support



opposition (71 per cent) than non-custodians who were not paying (66 per cent).

The majority of registered non-custodians (61 per cent) were also opposed to using the taxation system to collect maintenance. Opposition to this proposal was substantially greater among those who were not paying maintenance (70 per cent compared to 54 per cent of payers). Against this, 30 per cent of registered non-custodial parents actually expressed support for collection through the Taxation Department.

Thirty-six per cent of registered non-custodians believed that pensioner custodians should be required to seek maintenance, while 46 per cent either disagreed or strongly disagreed. Just over one third (35 per cent) of those paying opposed this requirement compared with 59 per cent of those not paying.

Thirty-eight per cent of registered non-custodians believed the amount of maintenance should be related to their incomes, while 53 per cent did not. Those who were not paying maintenance were more inclined to agree to this proposal than those who were paying.

As with the registered custodial parents in Chapter 4, the above four individual measures of attitudes were scaled to produce a single measure of Scheme support. Table 5.9 shows that the individual items are significantly correlated to do so (0.7 or higher) and that, when combined, these measures explain 53 per cent of respondents' attitudes to the aims of the Scheme.

Not surprisingly, registered non-custodians do not support the Scheme as a whole. As shown in Table 5.10, the average score for registered non-custodians is 0.35 (on a scale of 0 indicating no support to 1 indicating total

Table 5.6: Proportion of paying non-custodial parents who are happy with the way they are now paying maintenance

	N	%
Very happy	38	5
Happy	73	10
Its OK	274	36
Unhappy	114	15
Very unhappy	257	34

Table 5.7: Paying non-custodial parents' perception of their maintenance arrangements with the Child Support Agency as compared with their arrangements prior to registration

	N	%
Better off	84	11
Worse off	289	38
About the same	317	41
No previous arrangement	80	10

support). Those who are paying through the Scheme expressed slightly more support (mean score of 0.38) than those who are not paying (mean score of 0.31).

The greater tendency of payers to support the Scheme also holds true when controlling for other factors. The regression analysis presented in

Table 5.8: Attitudes to the major objectives of the Child Support Scheme by pension status and payment of maintenance

	Registered non-custodians	Payers	Non payers
Increasing amounts to be paid for child maintenance			
Strongly Agree	4	4	4
Agree	11	11	13
No Opinion	16	14	17
Disagree	22	25	17
Strongly Disagree	47	46	49
N	1225	629	492
Significance		n.s	
Using the taxation system to collect maintenance			
Strongly Agree	8	10	5
Agree	22	26	17
No Opinion	9	10	7
Disagree	13	15	11
Strongly Disagree	48	39	59
N	1225	635	494
Significance		p<.0001	
Requiring pensioners to seek maintenance			
Strongly Agree	12	15	8
Agree	24	28	20
No Opinion	18	22	13
Disagree	13	13	13
Strongly Disagree	33	22	46
N	1225	619	480
Significance		p<.0001	
Relating maintenance to the non-custodians' income			
Strongly Agree	20	16	25
Agree	18	18	17
No Opinion	9	10	7
Disagree	13	17	8
Strongly Disagree	40	39	43
N	1225	627	515
Significance		n.s.	

Table 5.11 shows that when holding constant all other variables in the equation, those who are paying maintenance are 4 per cent more likely to support the Scheme. In addition, non-custodians with higher household incomes tend to express support for the Scheme. Non-custodians who have not repartnered are 6 per cent less likely than partnered non-custodial parents to support the Scheme. Those who did not report that a change had occurred in their relationship with their children since registration were also less likely to support the Scheme.

Table 5.9: Principal Components Analysis: attitudes to Scheme objectives

	Factor loading	Communality
Increasing amounts of child maintenance	.76	.58
Using the taxation system for collection	.72	.52
Requiring pensioners to seek maintenance	.73	.54
Relating maintenance to income of the NCP	.69	.48
Eigenvalue	2.12	
% of variance	52.9	

Table 5.10: Scale means

	Registered non-custodians	Payers	Non payers
Mean	.35	.38	.31
Standard deviation	.26	.24	.28

Table 5.11: OLS regression analysis of determinants of attitudes to the Child Support Scheme

	b	Beta
Age (in 10 year groupings)	.01	.02
Sex	.06	.02
Household income (in $'000)	.13	.20*
Pension status	.06	.10
Employment status	−.06	−.11
Current partnership status	−.06	−.12*
Married to former partner	.00	.00
Time since separation (in years)	.01	.09
Children ever see their other parent	.04	.07
Relationship between NCP and children	.08	.15*
Amount maintenance due	.00	−.05
Any maintenance paid through Scheme	.04	.16*
Constant	1.04	
R2	.09	

*Denotes statistically significant at p< .001

Relationship Between Income of Non-custodial Parents and Amounts of Child Support Payable

Figure 5.2 shows the relationship between family size and the amounts of child support payable as a proportion of gross income, where non-custodial parents reported having some income. In order to eliminate older liabilities which would be expected to involve the payment of smaller amounts, only particulars of respondents whose orders and registered agreements were finalised between 1988 and 1990 were used for this calculation.

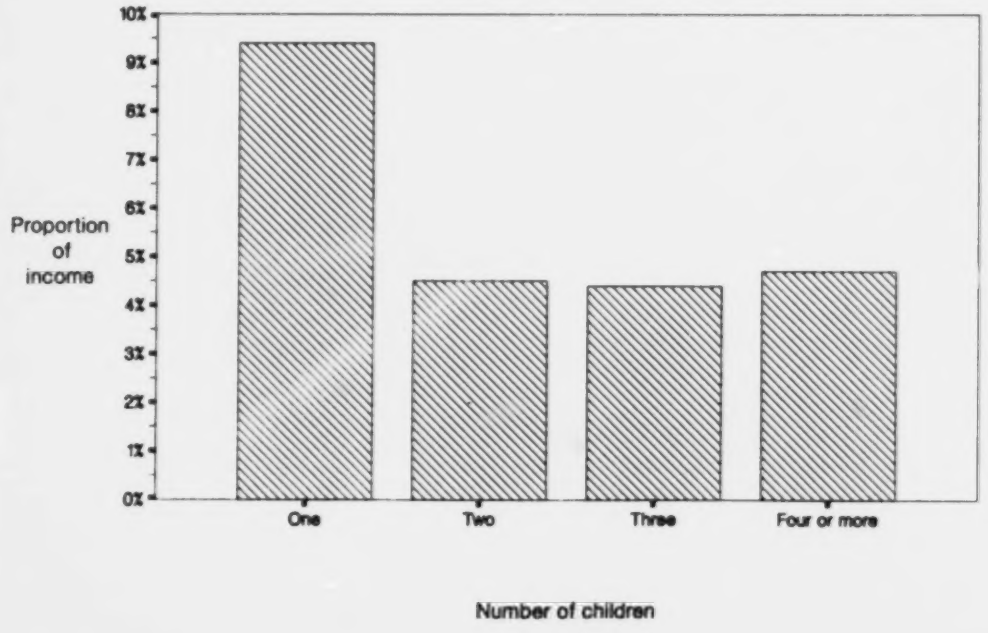
This information enables some estimate of the impact on non-custodial parents of enlarging the scope of Stage Two to be made. The Child Support Evaluation and Advisory Group has recommended that the Stage Two procedures be opened up to a wider category of parents (Chapter 1). Non-custodial parents who object would be able to seek a court exemption on the ground that injustice would be caused because of the making of prior financial arrangements, or because of present obligations to others. However, a major characteristic of Stage Two is its removal of the judicial system from the assessment process. While Stage One procedures place the onus on custodial parents to take maintenance action, this would be reversed if Stage Two were extended to existing cases, with non-custodial parents being required to exempt themselves on the basis of pre-existing arrangements.

The estimates made on the basis of non-custodial parent data in this evaluation cannot be precise, as gross rather than taxable income is used, and no self-support component of formula-free income is deducted. However, the population of both registered and unregistered parents who have orders or agreements which pre-date 1988 is likely to be high, those amounts will generally be lower than those made in or after 1988, and differences between earlier orders and the liability calculated under formula assessment will therefore be even larger than those calculated in Figure 5.2. In the case of those previously paying no child support the differences will be, of course, considerable. The amounts provided by non-custodial parents between 1988 and 1990 indicate also the extent to which the quantum of court orders fell below what would have been payable under administrative assessment, a point which was addressed in Chapter 2.

Figure 5.2 shows the distribution of non-custodial parents' families according to the number of children eligible for child support payments. One-child families were the most common (44 per cent). The formula assesses child support for one child at 18 per cent of income before deductions for tax or the medicare levy are made. As Figure 5.2 shows, orders and registered agreements for all non-custodial parents with one dependent child averaged 9.4 per cent of their gross income, or approximately half that payable under Stage Two. In the case of two-child families (which formed 38 per cent of families), the formula assesses liability at

Figure 5.2: Weekly maintenance due per child as a proportion of non-custodial parents' income by number of children

1988 - 1990 orders



27 per cent of taxable income, but the amount payable was just less than 4.5 per cent per child, say 9 per cent in total. Proportions of income payable in the case of non-custodial parents with three dependent children were 4.4 per cent per child, 13.2 per cent in total, as against the 32 per cent stipulated in the formula; for four or more children amounts payable averaged 4.6 per cent of income per child (total of 18.4 per cent) as against the formula percentage of 34 to 36 per cent of taxable income.

Not unexpectedly, and as mentioned in Chapter 4, custodial parents would almost unanimously support the widening of Stage Two procedures. In contrast, many non-custodial parents complained, often vehemently, about even being required to pay amounts which were only half that payable under administrative assessment. A fairly large proportion of those complaining were, ironically, still not paying child support, despite having been registered with the Agency for several months. The distinction between objective measures of capacity to pay and subjective resistance to so doing is striking, and is obviously pertinent to any decision-making about widening the Stage Two 'net'. Although public objections to paying the liabilities imposed by formula assessment on the current population have been much more muted than was anticipated, there may be a far more negative response from those paying smaller amounts (or nothing at all) who interpret their inclusion in Stage Two as being the result of retrospective legislation.

Another major source of frustration for non-custodial parents was their perception that the Stage One procedures, and their administration by the Child Support Agency, were characterised by inflexibility and a lack of compassion. The administrative assessment procedures of Stage Two, combined with the Stage One collection mechanism, would be unlikely to appeal to these parents, although the Child Support (Assessment) Act allows parents subject to administrative assessment to advise the Agency of any changes which could affect the amount payable. This enables adjustments to be made, and those whose incomes had substantially reduced would be permitted to pay less than their previously assessed amount while avoiding the court proceedings disliked by custodial and non-custodial parents alike.

As amounts payable by non-custodial parents in the evaluation had very rarely been reduced because of property settlements or the contribution of non-periodic amounts, the only likely ground of appeal for most respondents would be their financial obligations to a second family.

The Institute supports the Child Support Evaluation Advisory Group recommendation that Stage Two procedures be made available to all separated parents, with the opportunity for objection along the lines suggested by the Group. The data collected during both phases of the Institute evaluation illustrate the low levels of maintenance liabilities registered under Stage One, and the erosion of values due to a lack of updating.

The Institute makes this recommendation subject to the provisos that clear, comprehensive and widely available information must be made

available to all parents affected by the new arrangements, and that the Child Support Agency be resourced in a manner commensurate with the additional workload the reforms would attract.

The first phase of the evaluation of Stage One of the Scheme identified poor information from both the Department of Social Security and the Agency and the inability to communicate with either or both, as major grievances of both custodial and non-custodial parents. In addition to the delay with the first payment (reported by many custodial parents) and Stage One's restriction to orders and court-approved agreements (seen by some parents as being inflexible), these have created a considerable amount of 'bad blood' amongst the Scheme's constituents. The increase in Child Support Agency staff which occurred after the data for the evaluation were collected obviously improved processing time, and complaints would be expected to have reduced. The removal of confidentiality requirements will in the future allow more custodial parents to have information about the progress of their matters. These improvements will be short-lived if even 10 per cent of the estimated 500 000 or so parents who might become eligible for administrative assessment under the proposed reforms actually apply to the Agency. If expectations of custodial parents were raised and then dashed by their having to wait many months for the benefits of the formula to be experienced, there will be corresponding anger and bitterness from custodial parents, and confusion for non-custodials.

Open-ended Comments by Non-custodial Parents

The comments made by both paying and non-paying non-custodial parents were very similar in nature to those made in the first phase of the evaluation. Table 5.4 (earlier) set these out according to their order of frequency, but open-ended comments did not completely reflect the concerns indicated there, largely because they were often wide-ranging in nature. Briefly categorised, there were objections to paying where there was no access to the children, or where the custodial parent was in better financial circumstances than the non-custodial parents. There were also objections to the amounts of orders, to the inflexibility of the Scheme and the fact that child support had become a 'taxation issue'.

One father said he did not pay because he had not seen his son for nine years:

'Why should I pay for somebody I never see and have not seen since he was one?'

Similar feelings were expressed by other non-custodial parents:

'There is no consideration for financial problems that are experienced by the maintenance payers. As far as I am concerned in my situation, living on an invalid pension for six years, it is like taking from Paul to pay Peter. It stinks!' I have not

seen my son since he was two years old [12 years ago], and am not likely to see him in the future. He is a stranger to me. To get this maintenance order varied, I have to go to court, this is very stressful and humiliating for me to have to declare my financial situation in front of a court.'

'I take it as a personal affront that some bureaucracy can meddle in private affairs because of their access to a computer code and which has been legislated by a government which initially set out to discover "tax cheats".'

'I was declared a bankrupt prior to court proceedings. The Agency appears to be on a one-track system where this sort of information can't be considered.' (This man claimed he was paying cash to the custodial parent, and that she has no communication with the Child Support Agency.)

'I believe I was ripped off in property settlement. That's why I don't pay. I moved to get away from a very vindictive spouse. I have only been employed as a casual for the last couple of years. I cannot afford a lawyer to fight in court . . . My former spouse's last words still ring loud in my ears "I'll make you pay!" and she's done a good job.'

'My case took seven months from the time my son moved in with me. The cost of paying legals and maintenance and extra living expenses was so prohibitive it cost me a home I was trying to own. In the seven months I was required to pay maintenance for the two children whilst one was living with me. To rectify this situation it cost $1500 in legals plus $188 per fortnight in maintenance. Where is the justice?'

'I am strongly worried that when I contact a department they tell me they will send a form or information but you never receive it. I have never been told my status and position when unemployed — that is, what payments will be when I regain employment. Why I am still told I have to pay $20 per month late payment fine?'

'My ex-wife is living in a de facto relationship receiving a pension and their combined income is much more than mine. Any money I gave her would be spent on bingo or alcohol. This system is completely unfair to me and my child. Previously I would pay for her school, clothing and medical. Now with this system, if I paid, she would get nothing.'

'The system of Family Court and Child Support Agency does not evaluate the impact of property settlement and maintenance on the ability of the non-custodial party to sustain income generation. Consequently, often draconian settlements cut off the source of funds — the business of houses sold, both parents forced into rental, overdrafts overloaded, exorbitant legal fees often sucking out more than enough to cover a couple of years maintenance. The current system is a feed-trough for the legal system, and we need to address it urgently to find an equitable means of looking after all long-term interests. Regardless of the no-fault clause, the non-custodial parent nevertheless reels under the punitive cost of arbitration, and ends up disaffected with the legal system.'

Discrepancies between standards of living of two households was frequently referred to:

'Why should I pay maintenance for my kid when the mother has remarried and both work and have more money than us. Why should my new family suffer because of their greed they own their own house and two cars? I have been told if I don't pay they can sell my car, house, all my second-hand furniture for what they can get no matter how small the sale. I am unemployed, how am I supposed to pay? Should I not pay my house payments which is $600 per month?'

'I refuse to pay any maintenance . . . My children are not in the slightest adversely affected by this. My ex-wife succeeded in acquiring absolutely everything in her property settlement grab. This includes monies, a farm, two houses, a beach house, antique furniture, jewellery . . .'

Conclusions

There was a high incidence of unemployment amongst registered non-custodial parents in the sample, and an obvious correlation between unemployment and non-payment. This brings into question the flexibility of procedures available to the Child Support Agency to vary liabilities which are patently unable to be met.

Many non-custodial parents expressed dissatisfaction with their parenting arrangements after separation. They were also likely to report that their relationship with their children had deteriorated since registering with the Agency. Access difficulties were commonly referred to amongst those with grievances.

Those whose registrable liabilities were finalised between 1988 and 1990 were required to pay, on average, only half the amount that would be due under the administrative assessment formula. Although more non-custodial than custodial parents reported the payment of non-periodic amounts, their amount was generally small, spousal maintenance was rarely paid and property settlements had little impact on periodic child support levels.

These parents had a low level of understanding about the Scheme and they were generally negative about its operation.

If the Stage Two formula is used as a measure of adequacy, the contributions being made by many non-custodial parents fall far short of what is now considered to be equitable. However, the opposition of these parents to the Child Support Scheme, their general resentment at having to pay approximately half of what they may be called upon to contribute under Stage Two, and their dissatisfaction with their parenting arrangements, suggest that they will object, in some cases quite vehemently, to being brought into the Stage Two population.

6

CUSTODIANS WHO HAVE CHOSEN TO OPT OUT OF THE CHILD SUPPORT SCHEME

ROSANGELA MERLO

There are three categories of custodial parents who are not taking advantage of maintenance collection under the Child Support Scheme. First, there are those whose maintenance entitlement predates the inception of the Scheme and have chosen not to register this liability with the Agency — the vast majority of pre-Scheme custodians, as discussed in Chapter 3. Second, there are custodians whose maintenance entitlements arose after June 1988 and, as such, are required to register this with the Agency but have failed to do so. Third, there are custodial parents who were once registered but have chosen to withdraw from Agency collection.

Given that Stage One of the Child Support Scheme was introduced primarily to increase the incidence of maintenance receipt among custodial parents, the existence of such groups raises questions concerning the effectiveness of the Agency and the Scheme in general.

Since Chapter 3 describes the pre-Scheme population and there is little known about those who have failed to register, this chapter focuses primarily on those who have opted out of the Scheme. A profile of those who have opted out is presented and then compared to characteristics of custodians who have not registered and custodians who have chosen to remain Agency registrants. Experiences with, concerns about and attitudes to the Scheme are also analysed. In order to gain some insights into the possible problems of the Scheme and areas which may need modification and improvement, respondents' reasons for opting out are also discussed. Finally, an examination is made of whether custodians who have withdrawn from Agency collection are better off now and, if so, whether they are likely to remain in such a position.

Who May Opt Out of the Scheme?

Opting out of the Child Support Scheme requires completion of Form 6 of the Child Support Agency Forms. Under S 38 of the Child Support (Registration and Collection) Act 1988, an application to cease to have a

maintenance liability registered with the Agency may only be made by a payee who is not in receipt of an income-tested Commonwealth pension, benefit or allowance (other than Family Allowance or Family Allowance Supplement).

As of April 1990, the total number of Stage One registrants who had opted out of the Scheme was 1038, or 2.9 per cent of all registrations. A further 602 custodians registered prior to April 1990 had opted out by November 1990, a total of 4.5 per cent of pre-April registrations. Due to limitations of the Child Support Agency data, it is not possible to determine what proportion of those eligible to opt out have, in fact, exercised that option.

The Sample

For this evaluation, questionnaires were mailed to all Stage One registrants who had opted out by April 1990. In response, 172 completed questionnaires (of the 1038 sent out) were returned. There appear to be two major explanations for this low response rate. One is that persons who have opted out no longer consider themselves a part of the Scheme and want nothing to do with it or its evaluation. As one non-respondent wrote: 'This [questionnaire] does not apply to me as I am no longer in the Child Support Scheme'. The other is that because of Agency record keeping procedures, all individuals who have opted out have duplicate records in the system and may have received two different questionnaires. As questionnaires designed for Agency registrants were mailed before those designed for custodians who opted out, it is plausible that the latter may have been discarded.

There are obvious difficulties in drawing conclusions from a sample with so few respondents. Unfortunately, because little information is available about those who have opted out, it is impossible to assess with complete accuracy the representativeness of the sample. Nonetheless, as discussed in Appendix I, the weighting procedure employed produces equivalent distributions in the sample and population on critically important variables. For example, Agency data show that 50 per cent of the total population who had opted out and 49 per cent of the weighted sample had obtained their maintenance orders or agreements from the Family court. The average maintenance entitlement per child is $35 per week among all those who have opted out and $39 per week among sample respondents. The median separation date among the total population is January 1987, while half of the sample had separated by December 1986. Median dates of opting out for the population and sample are December 1989 and November 1989, respectively.

There are minor differences, however, between the sample and population data. Sample respondents tend to have more recent orders and most had registered with the Agency about three months earlier than the population. Further, while the average time spent in the Scheme for the population is 2.7 months, the average for the sample is 4.5 months. Seventy-four per

cent of those who opted out did not receive a payment through the Scheme, compared with 62 per cent of the total number of custodians who opted out. Given these differences, it is plausible that responses from sample respondents may be slightly more negative toward the Scheme than attitudes of the population of custodians who opted out.

Who Has Opted Out?

A comparison with registered custodial parent groups reveals that custodians who have chosen not to use the Child Support Scheme for maintenance collection are distinct in many ways. Table 6.1 shows that a major difference between the custodians who opted out and registered custodial parents is that, on average, the former enjoy greater affluence. The average household income among those who have opted out is $155 per week higher than the average income of registered custodial parents who are in receipt of maintenance, and $217 higher than those registered but not receiving any maintenance through the Scheme.

There are also fewer social security recipients who have opted out than among registered custodial parents, which is not surprising due to the ineligibility of most pensioners to withdraw from Agency collection. Further, employment rates are higher among those no longer registered; just under three quarters (73 per cent) of custodians who have opted out are either employed or self-employed, while employment among registered custodians averaged around 40 per cent.

Repartnering was higher among parents who had opted out of the Scheme (42 per cent) than among those who remained Agency registrants (23 per cent of those who were receiving maintenance and 21 per cent of those who were not receiving maintenance).

Custodians who have opted out of the Scheme are more likely to have been married to their former partner and their average length of separation is less than among other custodial parent groups. As demonstrated in the Institute's interim report, *Who Pays for the Children?*, such custodians are more likely to be in receipt of maintenance and thus are less likely to require government enforcement of orders and agreements. In fact, over 80 per cent of custodians who opted out reported that they were receiving maintenance payments since opting out.

The average weekly child support entitlement is more than $10 higher per child for those who have withdrawn from Agency collection than for those custodians who are registered. The average weekly amount paid per child among opted out custodians actually receiving maintenance is $41.68, nearly $3 more than was actually ordered. Weekly maintenance payments among those receiving through the Scheme averaged $27.60, or $14 per week per child less than those no longer registered with the Agency.

Custodial parents in the pre-Scheme sample who chose not to register their maintenance entitlement with the Child Support Agency are, in many

ways, similar to those who have opted out of the Scheme. While not as high as employment rates among those who have opted out, nearly 60 per cent of those not registered are employed. They are predominantly non-pensioner, repartnered parents with a relatively high average household income. Unlike those who have opted out however, the average weekly child maintenance payment is substantially lower.

Table 6.1: Characteristics of sample and comparison with other custodian groups

Characteristic	Opted out custodians	Pre-Scheme* custodians not registered	Registered receiving custodians	Registered not receiving custodians
Age (mean in years)	36	38	36	35
Sex				
Male	1.8%	2.7%	1.7%	1.8%
Female	98.2%	97.3%	98.3%	98.2%
Employment status				
Employed	72.8%	58.4%	43.4%	38.4%
Unemployed	27.1%	41.6%	56.6%	61.6%
*Pensioner status**				
Pensioner	24.7%	31.3%	36.7%	43.8%
Non-pensioner	75.3%	68.7%	63.3%	56.2%
Household income (mean $ per week)	$493	$548	$338	$276
Personal circumstances				
Partnered	42.1%	51.7%	23.2%	21.3%
Sole parent	57.9%	48.3%	76.8%	79.7%
Relationship to former partner				
Married	92.5%	93.0%	86.6%	79.3%
De Facto	6.6%	4.3%	8.5%	13.8%
Never lived together	0.9%	2.7%	4.9%	6.8%
Length of separation (mean in years)	5.1	8.2	6.0	6.3
Child maintenance due** (mean weekly $ per child)	$39.08	$25.23	$28.74	$26.01
% receiving maintenance	81.5	63.6	100.0	0.0
Child maintenance paid (mean weekly $ per child where something is paid)	$41.68	$24.45	$27.60	$0.0

* who have court enforceable maintenance entitlements

*Pensioner category includes those who receive Family Allowance and Family Allowance Supplement and, as such, are entitled to opt out of the Scheme

**Denotes court enforceable maintenance.

In order to assess why some custodians who are obliged to register their maintenance entitlements with the Agency have failed to do so, similarities between this group and the group which opted out, as well as the pre-Scheme sample who chose not to register, need to be identified. As estimated by the Child Support Evaluation Advisory Group, there are about 24 000 cases who have not fulfilled their obligation to register with the Agency. An analysis of a random sample of these people has found that they also include a majority of non-pensioners with higher maintenance entitlements than the registered population (CSEAG 1990).

Experiences, Concerns and Attitudes Toward the Scheme

At the outset it should be noted that the seemingly paradoxical finding that the overwhelming majority of those who chose to withdraw from the Scheme expressed strong support for its major objectives. These include: 'generally increasing the amounts to be paid for child maintenance'; 'using the taxation system to collect maintenance'; 'requiring those receiving pensions or benefits to seek maintenance'; 'relating the amount of maintenance to the income of the non-custodial parent'.

Scheme objectives were presented in statement form to respondents who were asked to indicate their degree of agreement along a five-point scale ranging from 'strongly agree' to 'strongly disagree'. Table 6.2 shows that over half the sample (53 per cent) 'strongly agree' that maintenance levels should be increased while another 32 per cent 'agreed' with this proposal. Seventy per cent supported employing the taxation system for collection. Seventy-seven per cent believed that pensioners should be required to seek maintenance, while 82 per cent supported linking maintenance amounts to the income of the non-custodial parent. Opposition was highest to using the tax system for collection (19 per cent) and lowest for increasing maintenance levels (6 per cent).

Nevertheless, while the Scheme's general objectives received support from a majority of those who opted out, these respondents expressed concern with the actual working of the Scheme as it was perceived to apply in their circumstances. Previous analysis has revealed a number of commonly expressed concerns about being in the Child Support Scheme. Fifteen such possible concerns were supplied to respondents who were asked to indicate which, if any, applied. Results are presented in Table 6.3.

The two most common concerns concurred with by those who had withdrawn from Agency collection involved delays in payment. Sixty-seven per cent of respondents indicated that they were concerned about the initial delay between registration and payment while 60 per cent were concerned about other delays in payment. As Chapter 4 shows, while a slightly smaller proportion of the Agency registrants expressed concern about such delays, they were also the two most commonly expressed

Table 6.2: Attitudes to main objectives of the Child Support Scheme: percentage distributions

	Strongly agree	Agree	No opinion	Disagree	Strongly disagree	N
Increasing levels of child maintenance	53.0	31.9	9.4	4.7	.9	156
Using tax system to collect maintenance	40.6	29.2	11.3	11.3	7.7	154
Requiring pensioners to seek maintenance	47.4	30.1	10.4	7.8	4.2	156
Relating maintenance to the income of the NCP	48.2	34.0	6.8	6.3	4.7	156

Table 6.3: Major concerns about being in the Child Support Scheme as expressed by custodians no longer registered with the Agency

Concerns	N	% of cases
Initial delay between registration and payment	95	66.5
Other delays in payment	85	59.5
Increase tension around access/visits	61*	42.5
Government involvement in personal matters	61*	42.8
Inconvenience	53	36.7
Difficulty obtaining information about my case from the Child Support Agency	44*	31.0
Invasion of privacy/information asked for	44*	30.9
Want nothing to do with the other parent	25*	17.3
Difficulty obtaining information about my case from the Department of Social Security	25*	17.2
Violence from the other parent	22	15.7
Scheme may reduce the total amount of maintenance	21	14.6
Don't want anything from the other parent	4	2.7
Don't believe the other parent should pay	3	2.2
Had agreed with other parent not to seek maintenance	2	1.7
Don't want/need the money	1	0.5

*Apparent inconsistencies are a result of the weighting process. The percentages reflect correctly the weighted data.

concerns. Forty-three per cent were concerned that the Scheme might increase tension around access visits, and the same number expressed concern over Government involvement in personal matters, which is more than twice the proportion of registered custodians expressing concern on these two matters.

Inconvenience was a concern for 37 per cent of respondents, in contrast to only 12 per cent of Agency registrants. Just under one third expressed concern about the difficulty in obtaining case information from the Child Support Agency and the perceived invasion of privacy resulting from the information which was required for registration. Generally, there was little concern expressed on matters relating to the non-custodial parent, the exceptions being concern about violence from the other parent (16 per cent) and wanting nothing to do with the other parent (17 per cent).

In order to assess the effectiveness of the Scheme as perceived by those who had opted out, respondents were asked what effect Agency collection had in: 'ensuring that the right amount of maintenance is paid'; 'ensuring that maintenance is paid on time'; 'getting enough maintenance'; 'your convenience'; 'the relationship between your children and their other parent'; 'your own relationship with the children's other parent'. Responses were measured on a pre-coded five-point scale ranging from 'much better' to 'much worse'.

As Table 6.4 demonstrates, the general consensus among those who opted out is that the Scheme had little or no beneficial effect for them. Nearly 70 per cent of respondents indicated that the Scheme was ineffectual or worse in ensuring compliance with amounts ordered, while 30 per cent claimed it had a positive effect. Twenty-six per cent felt the Scheme increased the incidence of regular payments, while 74 per cent felt it had little or no effect, or worse, on enforcing regular maintenance payments. As

Table 6.4: Experiences of custodians who opted out of the Child Support Scheme: percentage distributions

	Much better	Better	Little or no effect	Worse	Much worse	N
Ensuring the right amount of maintenance is paid	21.5	9.0	57.2	5.1	7.2	151
Ensuring maintenance is paid on time	19.3	6.9	47.8	10.7	15.3	152
Getting enough maintenance	23.6	9.4	59.6	3.7	3.7	150
Your convenience	19.1	7.2	36.2	9.2	28.3	150
The relationship between your children and the NCP	7.9	1.1	70.5	6.9	13.6	153
Your own relationship with the NCP	5.2	5.2	47.5	11.0	31.1	156

discussed below, this seems to be due to the delay experienced by a sizable proportion of the sample between registration and receipt of first payment.

One third of respondents indicated that 'getting enough maintenance' was better or much better under the Scheme. Once again, however, the majority (67 per cent) believed the Scheme had little or no impact, or worse, in this respect. On the question of personal convenience, 38 per cent believed the Scheme was less convenient, while 26 per cent thought it was better or much better.

A majority of respondents (71 per cent) believed the relationship between their children and the non-custodial parent was not affected by registration. Twenty-one per cent felt it was worse while only 9 per cent indicated a positive effect. Forty-two per cent of respondents claimed the Scheme had negative consequences for their relationship with the non-custodial parent, while 10 per cent claimed their relationship had been improved and 48 per cent felt it had not been affected.

In sum, while those who opted out of the Scheme supported its aims, they were critical of the way it was perceived to work (in practice) for them.

Reasons for Opting Out

In addition to eliciting their fixed choice responses to common 'concerns' about Agency registration, respondents were asked to state in their own words reasons why they had chosen to opt out of the Scheme. Many gave more than one reason. Categories of responses are presented in Table 6.5.

By far the most common reason for opting out, expressed by 42 per cent of respondents, was the existence of suitable alternative arrangements for the payment of maintenance. However, several different themes were present in this category. Twenty-three per cent of those indicating they had other arrangements expressed some resentment at having them interfered with. As stated by one respondent:

'It was a pointless waste of government time and money when my ex-husband and I had a perfect arrangement already.'

Over one third of respondents who had alternative arrangements indicated a reliance on other formal collection mechanisms such as electronic funds transfer or court collection. Most comments, however, simply conveyed a preference for private methods of payments. Such comments came from those who were receiving maintenance on a regular basis and saw no reason for Agency collection:

'By mutual agreement with former partner I am quite happy with payment of maintenance direct from former partner.'

'Payments were regular. . . Suited us the way it was so no need for change'.

Some respondents indicated that their preference for private collection was influenced by the perceived harmful effects of Agency registration on the relationship with the former partner:

'I think it was more personal the other way and the other parent has no resentment towards myself or my spouse.'

'My maintenance is paid directly into my bank account and there are no problems. If I went through the Scheme my ex-husband would be very uncooperative.'

'I had no reason to believe maintenance would not continue as it had been . . . In other words, trying to maintain a civil relationship.'

'Although my ex-husband is a jerk, he has always been regular with the maintenance payments and I didn't want him to become more hostile by involving others.'

Several respondents indicated that the Scheme provided a useful deterrent to non-compliance:

'My former husband agreed to pay maintenance regularly once he knew he would be forced to and has done so ever since.'

'After six years of being harassed by my ex-husband about paying maintenance, he agreed to pay directly into my bank account . . . and I agreed to save the hassles.'

Table 6.5: Reasons for opting out of the Child Support Scheme

Reason	N	% of cases
Suitable other arrangements	62	41.7
Initial delay between registration and payment	38	25.4
Lack of enforcement/collection difficulties	18	11.9
Agency errors/bureaucratic carelessness	17*	11.7
Stress/tension in relationship with former partner	17*	11.2
Asked by former partner to opt out	13	8.5
Scheme too complex/inconvienient/too much red tape	11	7.1
Harrassment/pressure from former partner	10	6.9
CSA staff insensitive/rude/incompetant/uninformed	8*	5.6
Lack of understanding of the Scheme	8*	5.4
Invasion of privacy/government interference	8*	5.2
Change in cirumstances (custody/children over 18)	6	4.0
Need/prefer weekly or fortnightly payments	5	3.6

*Apparent inconsistencies are a result of the weighting process. The percentages reflect correctly the weighted data.

'My ex-husband started paying me again and I can always go back to the Agency if he decides to stop.'

Another major reason for opting out of the Scheme was the financial cost incurred during the initial delay between Agency registration and receipt of the first maintenance payment. Twenty-five per cent of the sample listed this as a reason, one quarter of whom said it was the only reason. While few respondents believed that this delay was a way of securing revenue interest for the Government, most in this category had previously been receiving maintenance and were dependent on a continual flow of payments for budgeting purposes:

'I discovered it would mean receiving maintenance over two months in arrears, leaving me with no money in the meantime. . . . I have had to obtain mortgage relief . . . because of insufficient income and if maintenance was delayed any more we would not be eating.'

'One recently divorced can't afford to suffer long waiting periods for payment. Bills don't wait.'

'Because I couldn't survive financially for the 12 weeks before payments would start coming through.'

Twelve per cent of respondents stated that the Agency's inability to enforce payments was a main reason for opting out. Several respondents in this category saw no possible way of collecting payments because the non-custodial parent was self-employed. Others were annoyed that non-receipt was emphasised by 'silly monthly statements' stating that '$0.00 had been collected on your behalf'. Some were dissatisfied with the perceived unwillingness of the Agency to initiate court proceedings against defaulters:

'They didn't have the power to collect my money when he didn't pay because he was self-employed and it took them ten months to take action only after I said I wanted out.'

'Complete inability to enforce payments. Took eight months to serve a summons and then it was for the wrong amount. Three months later, still no summons. Opted out and have started private litigation in local court.'

A further 12 per cent chose to withdraw from Agency collection because of the Agency's administrative errors, causing many respondents to lose confidence in the Agency's ability to ensure maintenance. Some comments indicated confusion about when Agency collection was to begin, especially in court conversion cases, and this had resulted in a double accounting of the non-custodial parent's liability. Many respondents claimed that such errors resulted from an unwillingness on the part of the Agency to take note of information supplied by the parents:

'As far as I'm concerned the Child Support Scheme is a disaster. Had they respected our initial request to commence calculations on a certain date it may have worked well. Alas, this was not to be.'

'The idiot bureaucracy refused to pay the amount paid by my former partner because it was more than they had calculated. In fact, it was half what my former partner agreed to pay — the most ridiculous stuff-up I've ever endured.' (This comment does not reflect an error since the Agency cannot itself unilaterally vary an order.)

Further to perceived Agency errors, several respondents indicated that dealings with Child Support Agency staff motivated their decision to opt out of the Scheme. Most comments in this category mentioned that staff were rude and insensitive. Such responses were typical of the following:

'I felt that . . . the staff are very rude to any enquiries that I may have had. Very rude! I think you should employ people who are more understanding and caring.'

A few respondents also commented on the lack of staff and claimed that Agency employees were uninformed and incompetent. In fairness to the Agency however, it must be remembered that most respondents had opted out of the Scheme by the end of 1989. Thus their views may have been coloured by early dealings with the Agency, when a limited number of staff encountered numerous enquiries about a relatively recent piece of legislation.

Eleven per cent of respondents stated that they had opted out because of increased tension in relationships with their children and/or their former partner. The following is indicative of the tone of many responses:

'Due to the problems I was having with my ex-husband because he was being hassled by the Agency. I couldn't cope with the situation. Not [the Agency's] fault, I just wished to retain my sanity.'

Seven per cent of respondents claimed they were harassed or coerced while a further 9 per cent were asked by their former partner to opt out of the Scheme. Reasons behind such requests included a desire on behalf of the non-custodian to avoid 'the embarrassment' of having maintenance automatically deducted by employers. Several respondents indicated that the non-custodian had insufficient income to pay maintenance and, therefore, to obtain a variation of the maintenance liability. An additional 4 per cent of respondents had opted out because a change in custody arrangements negated or altered the maintenance liability. One respondent whose custody arrangements had changed, stated that an Agency staff member suggested withdrawing from the Scheme as private payment would not necessitate a court variation of the maintenance liability.

Despite the fact that, as mentioned previously, 37 per cent of respondents indicated that they were concerned about inconvenience caused by the Scheme, only 7 per cent specified this as a reason for opting out. These responses predominantly mentioned the amount of forms and 'red tape' involved in registration. Further, while invasion of privacy was a concern for 31 per cent, only 5 per cent had opted out because of this.

Various miscellaneous reasons reflected a lack of understanding about the operation of the Scheme. Some respondents claimed they registered because

they thought it was compulsory and opted out when they discovered it was not. Several were confused by the amounts paid, claiming that payments altered from month to month. While such variations may be due to non or partial payment made by the non-custodian or the subsequent collection of arrears, it is also possible that fluctuations resulted from the fact that most employee pay cycles differ from tax remittance cycles. For example, employees who are paid fortnightly and have maintenance withheld fortnightly, will have had maintenance withheld for two fortnightly periods ten months of the year and three fortnightly periods two months of the year.

The conversion to monthly payments also caused problems for respondents who were accustomed to receiving payments weekly. While some indicated the need for more frequent payments, most indicated that weekly or fortnightly payments made budgeting easier.

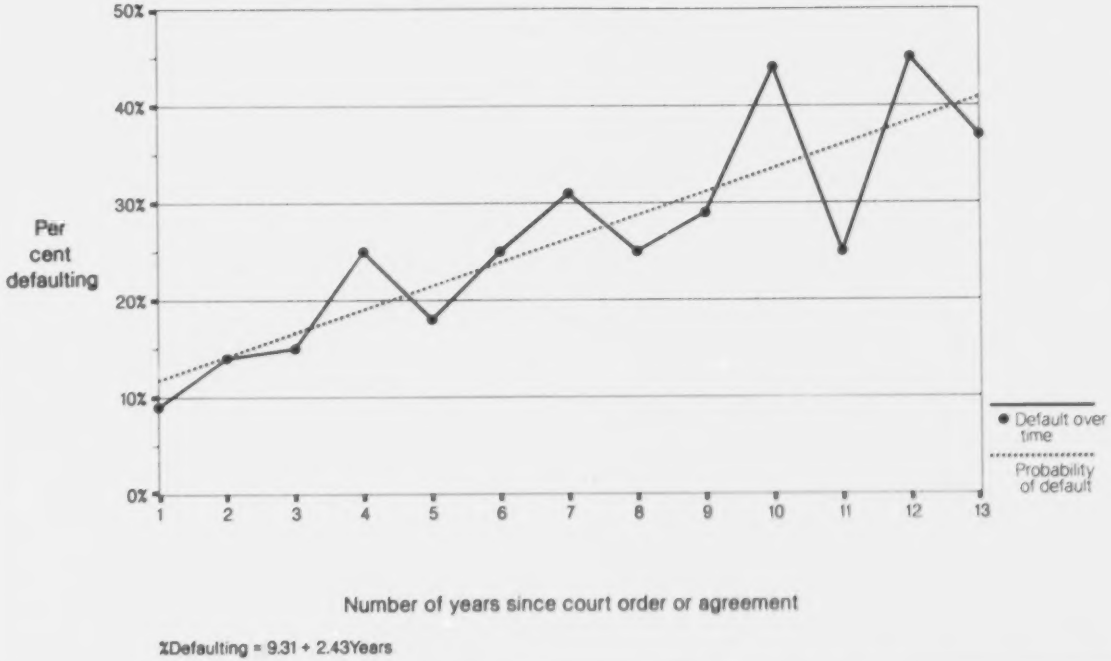
Position of Those No Longer in the Scheme

The most obvious dimension on which to analyse the relative position of those no longer in the Scheme as against Agency clients is financial. While other dimensions may be relevant, the main objective of Stage One of the Child Support Scheme is to allow more custodians access to maintenance, thus justifying this emphasis.

As mentioned previously, the average weekly child maintenance payment is $14 higher for those who opted out than for those who have not. In addition, 82 per cent of those who opted out are receiving periodic child maintenance, 86 per cent of whom say payments are on time or usually on time. In contrast, Agency data show that 56 per cent of those in the Scheme are receiving maintenance within the correct payment cycle (Chapter 4). The proportion getting non-periodic maintenance is also higher among custodians who opted out. Data collected for this evaluation show that 22 per cent of those who have withdrawn from Agency collection are receiving extra payments compared to only 4 per cent of those still registered. The average amount paid (where something is paid) is slightly higher among those who have opted out ($27 per week compared to $24 per week for registered custodians).

While custodians who have opted out are more likely to be receiving maintenance than those who have not, it cannot be assumed that this would necessarily continue to be the case. It is to be expected that over time the Child Support Agency will successfully increase collection rates of those registered. Analysis of the pre-Scheme data suggests that over the same period it is likely that there will be a decrease in the proportion of unregistered parents receiving maintenance. Figure 6.1 shows the probability of default over time for those with court enforceable maintenance entitlements who were, at one time, in receipt of maintenance. Fitting a regression line to the data shows that the likelihood of default in any given

Figure 6.1: Probability of maintenance default over time



year increases from a base of 9.31 per cent (level of default from the time of the order/agreement) by about 2.43 per cent. Thus, it is estimated that over 21 per cent of custodians will, within five years of the date of the order, receive nothing.

Summary

The number of custodians who have chosen to withdraw from Agency collection is relatively low. Despite numerous concerns about Agency registration, custodians have primarily opted out of the Scheme because maintenance was being collected prior to registration. As noted in Chapter 3, this was also the most common reason for not registering with the Agency. As these people have the option of registering or re-registering if default occurs, they pose no real concern for the Agency.

The number who have opted out because maintenance was not being collected is reason, as suggested in Chapter 4, to consider more effective means of enforcing maintenance.

The conversion from the familiar weekly payments to monthly payments has created confusion and frustration on the part of custodial parents, especially those whose former partner was having maintenance automatically deducted. Increased information to registrants on calculations of maintenance entitlements would be beneficial.

7

EMPLOYERS AND THE CHILD SUPPORT SCHEME

VIVIANA LUCCHESI

A central feature of the Child Support (Registration and Collection) Act 1988, is the Child Support Agency's capacity to collect periodic child maintenance. The conversion of child maintenance liability into Commonwealth debt is also a central feature of the Scheme, with Australia being the first country to use the tax system in conjunction with automatic withholding. This procedure has been regarded as providing a guarantee of payment not dependent on default and is far less cumbersome than attachment of earnings and garnishee proceedings. Locating the Child Support Agency within the Australian Taxation Office provides the link between wage or salary deductions and maintenance collection.

It is not possible for automatic withholding to have universal application, with its scope limited to those who are pay-as-you-earn taxpayers. Parents who are non-PAYE taxpayers, such as the self-employed, are required to make direct monthly remittances to the Child Support Agency.

Liable parents with registrable court orders or court-approved agreements made prior to June 1988 can apply to the Registrar to be excluded from automatic withholding. In the case of those whose maintenance liability arose after that date, the Registrar may determine that automatic withholding is not an efficient collection mechanism. This would most commonly occur where the payer has a fluctuating income, or is an itinerant worker. Otherwise non-custodial parents must apply to the courts for an exemption. This may be granted where payers can show that withholding by their employers would invade personal privacy, and the courts are satisfied that payments would be regularly made by an alternative method. In all situations involving an exemption the Registrar may resort to automatic withholding upon default.

Background

Collecting maintenance by automatically withholding payments was first proposed by the National Maintenance Inquiry (1984) in its examination of

a wide range of issues relating to the collection and enforcement of maintenance. The Report of that Inquiry concluded that garnishment was the most efficient means of collecting periodic payments from employees. It recommended that courts should have the discretion to include garnishment in original orders rather than requiring default before the procedure might be used. The report suggested that courts be able to order the sale of real property and that imprisonment of maintenance defaulters, which was abolished by the Family Law Act 1975, should be reinstated. Organisations such as the Lone Fathers Associations Inc argued that garnishment orders amounted to an infringement of civil liberties, and the proposed enforcement provisions as coercive and punitive. They saw the recommendations of the Inquiry as discriminating against non-custodial parents.

Automatic withholding procedures continued to be discussed at all stages of the reform process. The Family Law Council sub-committee on maintenance (1985) recommended that a maintenance collection Agency should be established and located in the Australian Taxation Office since it is more efficient for employers to deal with one rather than two separate government departments — one for tax instalments and another for maintenance payments. In the case of PAYE employees, the proposal was for employers to deduct the amount of maintenance notified as the employees' liability in the same way as income tax, and then forward it to the tax office. For non-PAYE payers, either direct payments to the Agency or standing orders on bank accounts should be available as options. Tax returns would be intercepted if non-custodial parents failed to fulfil their maintenance obligations. The Sub-committee also suggested that employers might be paid a fee to offset the administrative costs involved in the deduction process, which was a practice associated with garnishment orders in certain cases.

The Cabinet sub-committee (1986) treated automatic withholding procedures as central to the proposal for improved collection. There were, however, debates about the population to whom they applied, whether or not default should be a prerequisite, and whether pensioners should be treated differently from non-pensioners. The Cabinet sub-committee favoured automatic withholding from liable parents with a court order or court-approved agreement, with all separated parents having the opportunity to have their maintenance collected or paid through the Scheme. This would ensure regular payments, where proving default first would result in periods of non-payment for the high proportion who would be affected by non-compliance at some stage. Compulsory collection would give child maintenance liabilities priority over other financial obligations. No stigma would be attached to automatic deductions if applied to everyone rather than only those who defaulted.

The family law section of the Law Council of Australia was sceptical that automatic withholding would guarantee collection, and believed that non-custodial parents could avoid their maintenance obligations by using the 'cash economy, false identity and collusion with friendly employers' (1986:43). This section's opposition was part of its general antagonism to

the introduction of administrative procedures.

The Australian Council of Social Service (ACOSS 1986) agreed with the concept of automatic deductions, but stressed that legislative and other measures would be necessary to address the issue of personal privacy. Daniels (1987) was also concerned with possible privacy problems, and that collection through the tax system might be inequitable since PAYE taxpayers are more accessible and easier to locate than self-employed and itinerant workers. Edwards (1986) supported automatic withholding of maintenance payments from PAYE taxpayers and quarterly provisional tax from non-PAYE taxpayers. She argued, however, that the new reforms should not be mandatory and that the focus should be on changing public attitudes towards maintenance obligations.

Legislative Provisions

The Agency notifies the payer of the debt to be paid and the possibility of it being automatically withheld by his/her employer. Once it has adequate details of the payer's working arrangement, a questionnaire is sent to the relevant employer for information about whether the particular person is still in their employment, and if so, the date of the next pay day and pay cycles of that employee. Reliance on the pay cycle affects the amounts paid monthly because they can vary from the usual two pay periods a month. This will invariably affect the amount received by the custodial parent.

Section 45(1) requires the employer to be notified of the amount to be deducted and the commencement date. Employers are obliged to act in accordance with this notification. The Child Support Agency, under section 45(3), is required to simultaneously send a copy of the notification, with a cover letter stating the intention to automatically withhold maintenance payments from earnings, to the liable parent.

As collection occurs monthly and in arrears, the appropriate amount is to be paid to the Agency by the seventh day of every month. The employer must notify the employee of the amount deducted each pay period and must also notify the Agency if the withheld amount is different from that which the employer was instructed to deduct. Under Section 3 of the Child Support Regulations, 1988, there is provision for a weekly protected earnings amount set at one and a half times the rate of unemployment benefit — indexed to inflation. In accordance with sections 46(3) and (4) of the Act, deductions cannot be made if the employee's earnings fall below that amount and they are to be reduced if it results in the payer having less than the protected earnings amount after tax. The employer is not responsible for any shortfalls or overpayments, which are dealt with directly between the Child Support Agency and the non-custodial parent.

Several provisions in Part IV of the Child Support Act protect liable parent employees, including a prohibition on discrimination against employees or potential employees on the basis of their maintenance obliga-

tion. Employers or any person involved in paying wages or salaries are prohibited from disclosing information about an employee's maintenance obligation. Employers may also have any decision made under the Act reviewed by the Administrative Appeals Tribunal.

Employers' Involvement with Automatic Withholding Procedures

There was concern when the Child Support Scheme was established that employers would object to the imposition and costs associated with the automatic withholding procedures. Several employer associations, such as the Confederation of Australian Industry, had publicly foreshadowed their opposition and argued that automatic deductions should not be the responsibility of employers and would place an unnecessary burden on them.

Names and addresses of employers of registered non-custodial parents, who had maintenance deducted from their earnings in April 1990, were obtained from Child Support Agency tape. All of these employers (or where outside firms handle wages and salaries for other organisations those outside firms) were sent a questionnaire for the study, with 1594 responding out of a possible 3497.

In the Institute's evaluation of the Child Support Scheme, employers were asked how many people were employed by the establishment in the last pay period of April 1990. They were also asked how many employees were employed on a full-time, part-time or casual basis, and how many had maintenance withheld from their pay in May 1990. Only 3 per cent of employers stated they had no full-time employees, 55 per cent of which were organisations with less than twenty persons. Fifty-six per cent reported having no part-time employees and 53 per cent had no casual or temporary workers.

As Table 7.1 shows, a quarter of employers surveyed reported having less than 20 employees. Thirty-one per cent had between 20 and 100, 29 per cent

Table 7.1: Number of employees whose maintenance was automatically withheld in May, 1990

	Number of employees whose maintenance was withheld					
Number of employees	None %	One %	Two %	Three %	Four + %	Total %
1–4	11.2	7.2	–	1.4	–	6.3
5–19	20.8	23.6	3.5	–	–	18.4
20–99	33.8	37.3	14.6	1.4	1.3	30.5
100–499	29.6	25.5	48.0	33.3	24.4	29.3
500 +	4.6	6.4	33.8	63.9	74.4	15.5
N	260	977	198	72	78	1585

employed 100–500 people, and 16 per cent had more than 500 employees. Eighty-four per cent of employers surveyed were deducting maintenance payments from their employees' earnings. Table 7.1 illustrates that most employers had only one employee in their organisation who was affected by automatic withholding provisions. Those who had three or more employees whose maintenance was deducted from their earnings tended to be large firms with over 100 workers. Several companies reported having no liable employees at the time of the survey. This may be because the liable employee was no longer employed by that organisation, the method of payment had been changed, or the employee's maintenance obligations had come to an end.

Employers were also asked when they first began submitting withheld maintenance to the Child Support Agency. Seventeen per cent did not answer this question which could, in part, be because they were not withholding payments at the time of the evaluation, as previously explained. A small group (2 per cent) reported being involved in the Scheme since its commencement although employers, on average, had been deducting maintenance payments for 11 months.

As part of the Institute's evaluation, employers were asked about the information they received concerning the Child Support Scheme (this was a multiple response question, therefore percentages are based on responses rather than respondents). As would be expected, most employers (73 per cent) nominated the Child Support Agency as their main source of information. Fifteen per cent reported receiving information from the media (printed and electronic). Ten per cent cited the Department of Social Security as their main source of information. Only 0.4 per cent reported information from the Government 'hotline', and 2 per cent specified another source of information, such as their employee.

When employers were asked their assessment of the information and help provided by the Child Support Agency, they were generally positive about it. As illustrated by Table 7.2, 90 per cent of employers who relied on the correspondence from the Agency considered it as helpful (70 per cent) or very helpful (20 per cent), and 88 per cent believed it was easy (71 per cent) or very easy (17 per cent) to understand. A small group of employers (8 per cent) rated the correspondence as not being very helpful and 11 per cent found it was not very easy to understand. Only 2 per cent, however, believed the correspondence to be no help at all and 1 per cent stated it was impossible to understand.

As Table 7.2 shows, 83 per cent of employers, who initiated further contact with the Agency, reported that the information or help provided by Child Support Agency staff, either in person or on the telephone, was helpful (58 per cent) or very helpful (25 per cent), and 87 per cent considered it easy (69 per cent) or very easy (18 per cent) to understand. Eleven per cent of employers reported that the information was not very helpful, the same number stated it was not very easy to understand. A small group of employers (6 per cent) believed the information or help provided was no

help at all, but only 2 per cent thought it was impossible to understand.

In addition, employers were asked whether they considered themselves to have had an adequate understanding of how the requirements were to be carried out when they first became involved with automatic withholding. Eighty-four per cent reported having an adequate understanding when the establishment first became involved with maintenance withholding arrangements, and 96 per cent believed they had an adequate understanding of maintenance deduction requirements at the time of the evaluation.

The evaluation also sought to measure the costs experienced by employers who were involved in automatically withholding maintenance payments. The data showed that the smaller the organisation the more likely it was to report experiencing some costs. This is probably because smaller firms were less likely to have full-time employees and less likely to have administrative procedures which would help to incorporate the requirements of the Scheme.

Widespread concern by employers about the costs associated with the Child Support Scheme was not shown to be substantiated. As Table 7.3 shows, 49 per cent of employers did not incur any initial setup costs for the

Table 7.2: Employers' perception of the helpfulness of the Child Support Agency

	Correspondence from CSA		Information from CSA	
	%	N	%	N
Very helpful	20.2	286	25.2	249
Helpful	69.6	987	58.0	574
Not very helpful	8.0	114	10.8	107
No help at all	2.2	31	6.0	59
Very easy to understand	16.6	198	17.7	125
Easy to understand	71.1	848	68.8	487
Not very easy to understand	11.1	132	11.0	78
Impossible to understand	1.2	15	2.5	18

Table 7.3: Initial and subsequent cost incurred by employers in making automatic maintenance deductions.

	Initial setup costs		Subsequent costs	
	%	N	%	N
None	49	754	59	897
$1.00–$10.00	19	286	26	396
$11.00–$20.00	13	202	7	113
$21.00–$30.00	6	96	3	41
$31.00–$40.00	2	31	1	22
$41.00–$50.00	4	57	1	12
$50.00 or more	8	119	3	48

first employee subjected to automatic withholding requirements and 59 per cent reported no costs for a second or subsequent employee. One third reported costs of $20.00 or less for the initial setup and subsequent costs in making maintenance deductions. Only 8 per cent of employers stated having initial costs and 3 per cent reported subsequent costs of $50.00 or more.

When asked if they had further comments to make about how the new maintenance withholding arrangements were affecting their establishment, just over a quarter of the employers surveyed responded. Smaller organisations (less than 20 employees) were more likely than larger companies to have concerns, probably because larger organisations were more able to absorb the requirements associated with automatic withholding than small companies, as previously explained. These employers are not necessarily representative of the sample as a whole, and only a selection of responses are used to illustrate the various issues raised.

Several employers complained that not only were they compelled to be involved in maintenance collection but they have to cover the costs associated with it. Some employers saw this as the only problem associated with the Scheme. Several thought that compensation or reimbursement would be appropriate:

'It is unsatisfactory that we are forced to comply but there is no relief for the costs incurred.'

'Each payment involves time and cost to process for which the employer is not compensated. In the case of a court garnishee the employer is entitled to a 10 per cent retention to cover costs of administration — why not in this case . . . ?'

This last comment is not strictly correct. Garnishees are not automatically entitled to a set retention rate, although when the courts order a garnishment of wages they can, under the Family Law Rules, specify an amount that the garnishee may deduct from the normal deduction rate for administrative expenses.

A small group of employers reported having lost employees because maintenance payments were required to be automatically deducted from their earnings. As one employer put it:

'This dictatorial impost has cost me the services of two trained staff members.'

An issue raised quite often by employers involved difficulties with the Child Support Agency and its administration of the Scheme. Several described the Scheme as 'cumbersome', and said the time frame for deductions and remittances was too stringent and the time to pay recipients too long. There were reports concerning lack of communication and information dissemination to those involved in the Scheme. Some employers reported that their employees were not aware of automatic deductions or changes in the amounts to be deducted. Others were concerned about bureaucratic mistakes which increased their own workloads. They reported receiving unsigned letters authorising deductions and payments made to

wrong payees. Others reported delays in correspondence – advice, information, authorisation to deduct — and difficulties reaching the Agency by telephone. Several employers complained of being accused by the Agency of late or non-payment when in fact remittances had been made promptly. This can occur if employers send tax instalments and maintenance remittances to the Taxation Office without the appropriate form stating amount due to the Child Support Agency. This is currently being rectified through the use of a computer system.

Another issue raised was the belief that employers should not be involved in maintenance collection. Some employers perceived maintenance as being a private matter and that workplaces accordingly had no right to be involved:

'We feel that the employees privacy has been invaded.'

'This company and staff did not have the right to know about its employees children and private affairs. It has left a stigma on our employee.'

This attitude was shared by other employers who did not consider the collection of maintenance to be their responsibility. Several employers believed that the government or courts should be the collecting agents without the involvement of employers. They resented being required to do something outside their normal activities. Some saw the responsibility to be on non-custodial parents rather than themselves, while others accepted the need for a maintenance collection mechanism but preferred not to be involved. This resentment is typified by the following:

'Employers are forced to implement administrative systems to handle social problems created by the courts.'

'I wish these people had to face their own responsibility and not to use the employer as their money management team.'

'It is an extra process with each pay period is now part of the system, but would prefer not to have to do it. I understand the need but wish there was another way.'

Other employers considered automatic withholding as an imposition and burden on their business and staff. Several saw it as a waste of their time. The following illustrates this concern:

'I do not see why I should waste my time and money to be forced to do this.'

On a more positive note, several employers reported that the Scheme had caused no problems and had little or no effect on their business. Maintenance deductions for these respondents were easily absorbed into their system because it was already set up for the transfer of tax instalments. Others considered automatically withholding maintenance as a means of helping sole-parent families, while some commented on the Scheme's simplicity and efficiency:

'It is a slight inconvenience but needs to be done.'

'The system is, "on its own", fairly inexpensive and time efficient to execute.'

'16'

Registered Non-custodial Parents' Experiences of Collection Procedures

A study by the Child Support Agency (Chuter 1990) found that just under one quarter of non-custodial parents, whose former partner was registered with the Agency, were having their maintenance liabilities automatically deducted in March 1990. This is a substantial shortfall on the 1989 goal of 70 per cent. An additional 18 per cent of non-custodial parents were in the process of having automatic withholding arrangements put in place. Twenty-two per cent were non-PAYE taxpayers, and hence ineligible. Twelve per cent were exempt from having maintenance payments automatically withheld, either because they had a history of regular payments, had a court exemption or had objected or appealed to the courts. Ten per cent were still to be located and 5 per cent had left their jobs when they found that maintenance was to be automatically deducted. Four per cent were either not employed or their income was below the protected earnings level. The remainder consisted of registered payers where automatic withholding was not practical because they were employed for part of the year, were itinerant workers, or the Agency had not yet received the required information from employers. The study concluded that the 1990 target of registered payers on automatic withholding should be approximately 30 per cent.

In the Child Support Evaluation Advisory Group Report (CSEAG 1990), figures from the Child Support Agency showed that in June 1990 only 21 per cent of payers were subject to employer deductions. Maintenance payments collected, however, in this way contributed to 32 per cent of the total amount received for that month. The goal of 30 per cent was revised by the Agency to more than 50 per cent. The major reason given for not having reached the specified goal in 1989 was that automatic withholding was not given a high priority by the Agency, whose efforts had been directed towards diminishing the backlog of cases brought about by the introduction of Stage Two of the Scheme.

In the first phase of the Institute's evaluation of the Scheme, only 6 per cent of registered non-custodial parents reported having maintenance automatically deducted. Eighty-six per cent were paying the Agency direct and eight per cent reported paying the custodial parent or the children directly (since respondents completed the questionnaire early on in the Scheme there was still confusion about maintenance payments — the Child Support Agency has advised that there continues to be many non-Agency payments made contrary to non- custodial parents' legal requirements to pay the Agency and that these are a source of continuing administrative difficulties). The high proportion of those making direct payments to the Agency would be an effect of the provision that payers with a pre-June 1988, court order or court-approved agreement could choose to do so. In the second phase of the

evaluation, just over a third of registered non-custodial parents surveyed were having maintenance deducted from their earnings and two thirds were making direct remittances. The proportion of registered payers having maintenance automatically withheld had increased six-fold since the earlier registrant data were collected.

Agency records show that in early December 1990, 27 per cent of payers were having maintenance payments automatically deducted and 73 per cent were making direct remittances (Chapter 2). The method of payment apparently made little difference to the amount paid, with those paying directly to the Child Support Agency averaging $30.69 per child per week and $49.49 per week for all children compared to $32.90 and $54.25 for those having maintenance automatically deducted from earnings. This was also the case for registered payers in the second phase of the evaluation, with non-custodial parents paying direct remittances averaging $34.46 per week per child and those having maintenance automatically withheld paying an average weekly amount of $32.34 per child.

In the first phase, payers who had repartnered were slightly more likely (89 per cent) than those who remained single (82 per cent) to make direct payments. This has also been reported in the second phase, with 67 per cent of repartnered payers and 59 per cent of those who remained single indicating that they paid directly to the Agency. Only 9 per cent of the first registered non-custodial parents who were PAYE taxpayers, compared to 43 per cent in this phase, reported having maintenance deducted from their pay. Three per cent of the self-employed in the first phase and 2 per cent in the second phase said maintenance was automatically withheld — they were probably being paid a wage or salary by their company and as such are PAYE taxpayers.

Since the first registered payers completed the questionnaire within a few months of the Scheme's commencement, regularity of payment to the Agency could not be determined. There was little difference, in the second phase of the evaluation, in maintenance regularity according to the way in which payers said payments were made. Over 90 per cent of non-custodial parents reported having never missed a payment, a quarter of unemployed payers had defaulted on one or more occasions. PAYE taxpayers were marginally less likely than the self-employed to report having missed any of their maintenance payments.

In the earlier phase, a small group of non-custodial parents considered automatic maintenance collection as stigmatising, especially if payments had been previously regular. This concern has been reiterated in the second phase. Payers making direct remittances were more likely (55 per cent), than those whose maintenance is automatically withheld (48 per cent), to agree that the Scheme is not necessary when payments were previously regular, since they are also more likely to have been paying prior to the introduction of the Scheme.

Looking at the open-ended responses of the registered non-custodial parents, it is important to remember that of the two thirds who chose to

comment only a few have expressed concern about their characters being impugned, which is typified by the following:

'I had no choice concerning payment through Agency. It makes me and my family (now) feel like criminals.'

'It seeks to punish good honest contributing non-custodial parents for the ills of those non-custodial parents who didn't pay their maintenance.'

'Payment through payroll deductions is easier, but the initial slight on my character by my work, that is, being asked why I failed (supposedly) to pay maintenance and forcing them to deduct from my wages because of my so-called failure, was not appreciated.'

Registered non-custodial parents were asked whether they agreed with several aspects of the Child Support Scheme. Table 7.4 illustrates the different attitudes of complying non-custodial parents in the second phase, according to the method of payment. This was not shown for the first registered payers because of the small proportion (6 per cent) having maintenance automatically withheld. The Table shows that only a small number (8 per cent) of payers felt they had no obligation to support their children, one-fifth did not want to pay maintenance, and just under a quarter stated that their new family made a difference. The method of payment had a negligible impact on these attitudes.

Payers differed in attitude according to the method of payment when it came to how the money was spent. Those whose maintenance was automatically deducted were more likely than those making direct remittances to agree that they should not be paying since they have no say in how the money is spent (44 per cent versus 40 per cent), the money is not spent sensibly (44 per cent versus 37 per cent), it is not spent on the children (43 per cent versus 34 per cent), and the custodial parent does not need the money (40 per cent and 34 per cent). They were also more likely (40 per cent versus 32 per cent) to agree that it helps avoid conflict over money.

Only 16 per cent of those paying the Agency direct agreed that automatic payments made budgeting easier, compared with just under half of those having maintenance automatically deducted. One quarter of registered respondents who were paying maintenance agreed that the Scheme makes paying easier. Those who paid by automatic deductions were more likely (35 per cent) than those paying the Agency direct (19 per cent) to consider that the Scheme made paying easier.

Half of the registered payers who were making direct remittances, compared to 42 per cent of those with automatic withholding, did not want their workplace to be involved in maintenance collection. Non-custodial parents whose maintenance is automatically withheld were marginally more likely (39 per cent) than those paying the Agency direct (32 per cent) to agree with using the taxation system to collect maintenance. Overall, 35 per cent of registered payers agreed with this method of collection. This is a marked improvement on the attitude of the first non-custodial regis-

trants, only 19 per cent of whom agreed with automatic withholding. The least support stemmed from payers who were complying with their maintenance liabilities.

Summary

Concerns expressed by those involved in the Scheme's inception and employer organisations have not been substantiated by this study. A general observation is that employers are not greatly affected by the requirements of automatically withholding maintenance payments from liable employees' earnings. Relatively few employers reported being inconvenienced or incurring substantial costs caused directly by the Scheme.

Whether liable parents have maintenance automatically deducted from their earnings or are paying direct remittances to the Agency has little impact on the amount or regularity of payment.

It is too early, however, to assess whether this will continue to be the case — overall collection rates must be given time to increase, and the problem

Table 7.4: Non-custodial parents' attitudes towards various aspects of the Child Support Scheme by payment method.

	Pay Agency direct		Automatically withheld	
	(64%)	(781)	(36%)	(439)
I feel no obligation to support the children	8	61	7	31
My new family makes a difference	24	187	23	100
I do not want to pay maintenance	20	155	19	82
I should not pay since I do not see the children	28	216	26	114
I should not pay since I have no say in how it is spent	40	313	44	193
The money is not spent sensibly	37	289	44	195
The money is not spent on the children	34	267	43	189
The other parent does not need the money	34	263	40	176
I do not have enough income to pay	29	228	32	140
I do not want my workplace involved	50	387	42	183
It interferes in private matters between parents	27	213	28	123
It creates/increases problems over custody/access	23	180	25	108
The Scheme takes away my choice	50	388	49	215
The Scheme is not necessary since I always paid regularly before	55	433	48	213
Automatic payment makes it easier to budget	16	128	46	203
The Scheme makes paying easier	19	150	35	155
It helps avoid conflict over money	32	252	40	177

Note: Multiple response item — 'Listed below are some comments made by some parents who pay child maintenance through the Child Support Agency. Would you please indicate those with which you agree.'

of non-custodial parents' inability to meet their obligations, if unemployed, needs first to be addressed. As might be expected, attitudes towards the Scheme differed to some extent according to method of payment. Liable parents whose maintenance was deducted by their employer were more likely to perceive the Scheme in a positive way than those making direct remittances.

8

CONCLUSION

MARGARET HARRISON

This monograph documents the second phase of the Institute's evaluation of Stage One of the Child Support Scheme, and concludes the project. Major findings and recommendations are set out at the beginning of the book.

As shown in this and the earlier Institute book, *Who Pays for the Children?*, there was a demonstrable need for reform before the introduction of Stage One of the Scheme. Child support contributions were made by only a small proportion of separated parents, and amounts payable and paid were generally meagre and unindexed. The Government sought to meet that need in the first instance with the introduction of nation-wide uniform collection and distribution procedures which operated via the taxation system. The effectiveness and impacts of these procedures were subjects of the Institute's evaluation, and as they are common to both Stages, their operation is central to the Child Support Scheme as a whole.

While the evaluation has, of necessity, concentrated on issues of administrative efficiency, public acceptance, government savings and overall financial impacts of Stage One of the Scheme, it is obvious that a reform of this magnitude has a number of other aspects.

One of these is the issue of long-term consequences, either intended or unintended, which cannot be conclusively documented until the Scheme has been in operation for some time. These are most commonly identified in relation to parenting and employment.

Who Pays for the Children? and earlier chapters of this book refer to general concerns that disputes involving children may increase with the newly imposed emphasis on compliance. Chapter 5 presents evidence of a high level of dissatisfaction among non-custodial parents about their relationships with their children. There is also an indication (not mirrored in available court statistics) that many parents are seeking to have their arrangements made or varied through the legal system. Custodial parents, however, perceive the Scheme as having only minimal impact on their children's relationship with the other parent. Disturbingly, however, 21 per cent of custodians mentioned that they were apprehensive about the other

parent exhibiting some violence. The concern that entry into the Scheme may exacerbate some unresolved conflict needs to be monitored.

Another issue which will need examination is the possible impact of child support payments on the workforce participation of parents. In the case of custodians, the focus is on their entry to the workforce and ability to contribute to their family economy through salary and wages; in the case of non-custodians it is on their reduced attachment to paid work, perhaps culminating in their unemployment to avoid child support obligations. There was no more than slight anecdotal evidence of the latter occurring, and although several pensioner custodial mothers reported that their decision to work was in some way influenced by their being in the Scheme, no firm conclusions could be drawn from this.

Although it is intended to encourage workforce participation, the maintenance income test has been accused of acting as a disincentive to sole-parent pensioners seeking paid employment. This phase of the Institute's evaluation has shown some evidence for this, but it is too early to determine its extent or longer-term impacts. What the data have shown is a lack of uniformity amongst the States in the application of the income test as it relates to State-provided benefits. Where eligibility for a full sole-parent pension is the cut off, pensioners who fall below that threshold because of the receipt of child support may find themselves losing housing and other valuable concessions as well as their pension component.

The issue of capacity to pay is also a vexed one, and here the subjective and objective aspects of the information provided to the evaluation must be carefully weighed and considered. According to over half the non-custodial parents most recently surveyed, their ability to pay the amount of their legal obligation is a major concern. This fear is quite genuine for at least the high proportion (30 per cent) of these parents who were unemployed when they participated in the evaluation. Objectively, the amounts payable are still low, particularly where the orders being enforced are old. However, the issues of the inadequacy of older, unvaried amounts and the entrenched reluctance, even hostility, expressed by both custodial and non-custodial parents to having to enter the legal system to have them altered, are very relevant.

This resentment has occurred because of the introduction of Stage Two procedures between the first and second phases of the evaluation, an event which was planned but whose impacts on the various groups of separated parents in the community were unknown. The gradual introduction of any major policy or reform will inevitably be accompanied by different eligibility criteria. In the case of child support, a 'Stage Two case' involves a child who was born or whose parents separated on or after 1 October 1989. Both phases of the evaluation involved responses from parents who were ineligible to have child support administratively assessed, as they failed to fulfil these criteria. The majority of parents eligible to pay or receive child support in this country are in the same position.

There is a fairly high level of knowledge by ineligible custodial parents

about Stage Two procedures, particularly the annual administrative review of amounts payable. Indeed, it has become apparent throughout this evaluation that the effect of inflation on amounts ordered or agreed to has been underemphasised. It is important to the value of the support, and custodial parents attach significance to it. Their awareness of the benefits of Stage Two has caused many of the custodial parents surveyed to object to their exclusion from a reform which would provide them with greater financial support.

A major decision was made by the Government when Stage Two was introduced that its operation would be entirely prospective. In its influential 1988 report, *Child Support, Formula for Australia*, the Child Support Consultative Group recommended that eligibility for administrative assessment should exclude existing maintenance cases from eligibility for formula assessment. The Consultative Group made reference to the 'strong opposition to retrospectivity expressed in consultations with non-custodial parent groups and also to the predisposition against retrospectivity expressed by the Government'. The Group also mentioned the possible difficulties involved with inter-related maintenance and property orders, and parents remarrying or undertaking additional financial responsibilities on the basis of an agreed level of support.

Nevertheless, since that report was delivered to the Government, the Child Support Evaluation Advisory Group (the successor to the Child Support Consultative Group) has recommended that the eligibility criteria for entry to Stage Two be removed, a recommendation which is supported by the Institute's evaluation on the basis of its findings. As the 1990 report of that Group notes, the benefits of Stage Two are considerable, and consequently those children excluded from its procedures are disadvantaged. In addition, both phases of the Institute's evaluation have shown that the proportion of couples who have interconnected property and maintenance arrangements is very small, and earlier estimates of the matters which would be the subject of appeals were probably exaggerated. Nevertheless, considerable attention must be directed towards the circumstances in which appeals would be allowed, if all children were to be covered by Stage Two.

At a wider level, this evaluation allows consideration of the beliefs, philosophies and objectives behind changing family law practices, and it shows the manner in which laws adapt to social change. In Australia and a number of similar countries, reforms in this area, to varying degrees, are being introduced because of a number of fairly disparate factors.

- ***A sustained increase in the numbers of separations involving children.*** This has in some jurisdictions overwhelmed courts, in others led to a general absence of orders being sought. The general trend is for courts to be either completely bypassed at the assessment level, or for judicial discretion to be reduced and matters accelerated with the provision of guidelines to calculate child support. The use of terms such as 'liable parent' and 'debt' emphasise the fact that this is not a discretionary responsibility, but an immutable obligation.

- ***Long-standing and widespread failures to comply with court orders.*** This was often exacerbated by the inability of overburdened courts to enforce, and/or by a general societal belief that child support should or did end once a relationship had ended. The effect was to throw children and their (predominantly female) carers onto an increasingly resentful community who objected to paying for 'someone else's children'. Rampant non-compliance also brought the legal system into disrepute.
- ***The development of sophisticated computer systems.*** This has enabled information to be integrated across Departments and across States, has facilitated location of absent parents and has allowed quick processing and payment.
- ***In Australia, the referral of powers by most States to the Commonwealth.*** This has enabled child support legislation to benefit both nuptial and ex-nuptial children. The result is that the traditional common law non-interventionist approach, based on broad discretionary judicial powers, and assuming (in the case of Australia at least) readily available public support in the form of social security, has been turned around. In Australia, child support is now a highly regulated area, based on the principle that avenues of private contribution are the first consideration. The failure to reform matrimonial property legislation has meant that discretion is still a feature of the law as it relates to matrimonial property disputes.

In the context of the debates currently occurring in the United Kingdom, United States, Canada and New Zealand, the Australian Child Support Scheme is being seen as a blueprint for change. In Australia, the major debate is the speed at which the reforms (particularly in the case of administrative assessment) are introduced. As Bradley (1990) has commented: 'Ultimately, an issue such as the balance between maintenance from parents and support from the State for dependent children is determined by political considerations.'

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APPENDIX I

SAMPLING

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Following the Minister's March 1987 statements announcing the Government's intention to introduce the Child Support Scheme, but well in advance of legislation, the Institute had preliminary discussions with the Child Support Consultative Group (responsible, among other things, for ensuring Stage One's evaluation) and with the Minister and his Department about how an evaluation might best be conducted.

The initial research design for this study envisaged face-to-face interviews with around 1200 pre-Scheme respondents (600 former couples). These were to be drawn from Court records of current cases. Similarly, an on-Scheme sample was to be drawn from Child Support Agency records.

During the six months following submission of that first proposal, (a) consideration of the availability of respondent names and addresses, (b) the need to ensure early initial reporting, (c) recognition of the fact that large samples would be required for the authoritative examination of small but substantively significant groups within the custodial and non-custodial parent populations, and (d) the need to ensure that the samples were representative of those populations, dictated two main changes in the initial design. These were the use of mailed questionnaires rather than face-to-face interviews with both pre-Scheme and on-Scheme respondents; and the use of Department of Social Security Family Allowance records rather than court records as a source of pre-Scheme custodial parent names and addresses and the reliance on custodial parent respondent reports to identify and locate their former partners (similar difficulties do not present themselves for on-Scheme sampling).

Use of a Mailed Questionnaire

Both Department of Social Security and Child Support Agency records are confidential to the extent at least of personal identification. It would, therefore, be improper for either organisation to sample their records and

provide a third party (for example, the Institute) with lists of names and addresses of their clients. Consequently, two basic approaches were available to interviewing those sampled on the Institute's behalf by each of these organisations: they (DSS and CSA) could mail invitations to potential respondents on the Institute's behalf, asking their clients if they wished to participate in the evaluation. Those who wished to do so could reply direct to the Institute, providing their names and addresses, and, in turn, be contacted and interviewed in person; or, alternatively, a mailed questionnaire could be posted in the first instance to all those sampled for reply direct to the Institute if the recipient wished to take part.

The first of these options would have had the advantage of allowing more thorough questioning of interviewees on sensitive matters about which they might at first be reluctant to respond (in particular, income-related questions are generally thought to be more amenable to face-to-face interviewing).

Against this, a considerable time lag would have been introduced by such a two-stage approach. It would have proved far more costly and would have necessitated for the pre-Scheme sample — due to the difficulty in locating appropriate target populations from Social Security records alone — a large first round mailout, the sole purpose of which would be to isolate potential respondents. Moreover, requiring potentially willing respondents to agree to participate on three separate occasions (when replying to the initial inquiry, when contacted to arrange a suitable time for interview, and at interview) would increase the risk of sample attrition and attendant sampling bias (it should be noted that one-third of pre-Scheme custodial parent respondents were unwilling to provide their names and addresses so that they might participate in the second round of interviewing by mail).

The second option of using the initial mailout to obtain information from respondents would produce data earlier, but doing so would give greater meaning to the notion of its being a pre-Scheme sample, could be expected to provide a more representative sample, and would be less costly. Using the initial mailout to collect data rather than merely identify potential respondents resulted in a pre-Scheme custodial parent sample of some three and a half thousand custodial parents of whom only sixteen were already registered with the Child Support Agency.

Stratification considerations, particularly the need, pre-Scheme, to sample separately pensioner and non-pensioner custodial parents, made it increasingly obvious that the second option was by far the more cost-effective and cost-beneficial.

Pre-Scheme Sample

The initial design proposal highlighted certain difficulties which could be encountered during the selection of an appropriate pre-Scheme sample, in particular, 'representativeness of the sample will be a crucial aspect of the selection of a sample frame.' (A proposal for the evaluation of Stage One of the Government's new Child Support Scheme', 21 October 1987, p.8 —

emphasis added). The initial proposal noted that a sample drawn from Court records would need to be augmented to account for the numerous cases which never reach the Court (approximately 60 per cent — see Interim Report and Chapter 3) — solicitors' and Legal Aid records were possibilities. But, even augmented by cases drawn from such records, many cases would have still remained outside the scope of such a sampling frame. The probable cost to representativeness of using court-based records was ultimately deemed too high.

Use of regulatory powers under the Child Support Act to limit application in the first instance to new cases, collection cases and pensioners suggested a need to ensure an adequate pensioner component of the pre-Scheme sample. In effect, this would have required a larger sampling time frame and would have further jeopardised representativeness since pensioner custodial parents were presumed to be léss likely to have entered the legal/judicial system than would be non-pensioner custodians (confirmed by data presented in the Interim Report of this evaluation — see Chapter 4). Further consideration of the difficulty of access to court records (geographically scattered and not maintained in any single consistent form), suggested that other possible sample sources be considered.

Anticipating such problems, the initial design suggested that possible alternatives might include Department of Social Security Family Allowance or Supporting Parent Benefit (now, Sole Parent Pension) and Widows' Pension records. Discussions with the Department established that this would prove suitable. Administrative considerations led the Department to suggest the use of Family Allowance records. Methodological considerations supported this approach. Not only would it be possible through the use of 'flags' in the Department's computer system to identify probable custodial parent pensioners and, thus, allow oversampling, but it would also allow the drawing of a sample of non-pensioner custodial parents from the same source.

It is appropriate here to make a fairly simple observation — but significant since it seems often to be overlooked, particularly by those primarily concerned with levels of Commonwealth savings to be derived by the Scheme's introduction or those concerned more with social welfare than with social justice. Even though Regulations (since repealed) initially restricted the application of Stage One, it has never been limited to those in receipt of income-tested pensions or benefits. Examination of pre-Scheme data presented in the Interim Report of this evaluation suggests that about ten per cent of those eligible under the initial Regulations were not pensioners. Data made available by the Child Support Agency at the time of the Regulations' repeal showed that some 23 per cent of those actually having registered were not pensioners; and further analysis of pre-Scheme respondents presented in this Report (Chapter 3) suggests that 65 per cent of those now eligible for registration under Stage One provisions are not pensioners. In light of such data, to have restricted analysis to pensioner custodians or to have sampled inadequately non-pensioners would have

(a) called into question the current evaluation, (b) (by exaggerating the Scheme's social security aspects) neglected its potential to contribute significantly in social welfare terms for borderline non-pensioner custodians and (c) grossly understated the Scheme's value as an instrument of social justice. Further, subsequent repeal of the Regulations would have called into question the sample's usefulness for longitudinal analysis. Finally, use of Family Allowance records made it possible for minimal additional expenditure to gain access to a control group of respondents for whom child maintenance arrangements were not then relevant — whose responses, while not examined in this current Report, may allow for further examination of such ancillary matters as joint parenting.

Sample selection and stratification

The need to have a representative sample of both pensioner and non-pensioner custodial parents arise out of the initial restrictions on the scope of the Scheme's application to non-pensioners.

In addition, earlier studies of child maintenance often suggested significant gender differences in relevant attitudes, behaviour and circumstances of both custodial and non-custodial parents. Relatively small sample sizes combined with the fact that ninety per cent of custodial parents are female, have made it difficult, however, to explore these differences. While the Child Support Scheme was designed to redress an imbalance that usually works to the mother's disadvantage, the fact remains that the scheme should benefit both custodial mothers and custodial fathers. It was imperative, therefore, to ensure that the pre-Scheme sample included a sufficient number of male respondents to be able to make meaningful statements about any gender differences which might be found (in the event, it should be noted that significant salient differences found in the course of this evaluation were between custodians and non-custodians, not between mothers and fathers).

Arising out of these considerations and following discussion with officers of the Department of Social Security of the feasibility of locating potential respondents, three primary target groups were isolated: (1) pensioner custodial parents, (2) non-pensioner custodial parents and (3) a control group of other parents which, while potentially containing a small number of non-custodial parents, would for the most part consist of parents with children only of their current relationships. One in every four names/addresses sampled by the Department of Social Security were male Family Allowees. Through the use of an introductory screening question, a 50–50 split was sought between male and female control group respondents.

Figure A1-1 presents the sampling frame worked out in conjunction with the Department of Social Security. Six strata were targeted for interviewing. Four of these were to receive questionnaires designed for custodial parents and two were to receive general (control) questionnaires.

The questionnaires were distinguishable in three respects. Custodial

parent questionnaires were to be completed only if the recipient was 'the mother or father of a child aged less than 18 years [living in the household] and whose other parent lives somewhere else', while control questionnaires omitted the words that have been underlined; control group parents were directed to skip the section of questions relating specifically to the circumstances of separated families; and recipients of control questionnaires in two-parent families were asked to have the parent whose birthday fell earliest in the year to fill it in (in order to secure a reasonable number of male respondents from families in which the female partner almost always is the Family Allowance recipient).

Wave I

Pre-Scheme respondents were sent questionnaires in 1988 and in 1990. Wave I (1988) sampling and weighting were discussed in the Interim Report of this evaluation *Who Pays For the Children?* (Harrison, Snider and Merlo 1990). Since a proper appreciation of the Wave II sample (that is, those responding in both 1988 and 1990) requires an understanding of Wave I, it is discussed again on the following pages.

Custodial parents: Table A1-1 presents information on the response rates of each of the individual strata. In-scope response ranged from a low of 23.6 per cent of male custodial parent pensioners to a high of 35.0 per cent among female non-pensioner custodial parents. Since these response rates, however, are themselves based only on estimates of the actual number of Family Allowees in each of the sample's targeted groups, it would be inappropriate to exaggerate variations in response rates or their absolute values.

In general, it can be noted nonetheless that: (a) the overall response rate was about 30 per cent; and (b) a sufficient number of respondents are available in each of the targeted groups to allow comparison of pensioners and non-pensioners and of males and females.

Conservatively, the overall sampling error (measured as the standard error of an estimate of a proportion of 0.50) is no greater than plus or minus 3 per cent.

Non-custodial parents: With the assistance of the Department of Social Security, it was possible to contact a sample of parents looking after children, a certain proportion of whom could be expected to be separated from their children's other parent. With pensioners at least, it was possible to increase the likelihood of locating custodial parents. Even this limited facility for targeting custodial parents was unavailable for non-custodial parents. With only 40 per cent having a court order or court-approved maintenance agreement, Court records would have yielded a grossly unrepresentative sample. Samples provided by organisations of non-custodial parents, while perhaps willing to assist with sampling, would also prove unrepresentative for all the reasons associated with organisational membership, particularly single-issue group membership.

In the end it was decided that the best of a not-very-good set of options would be to ask custodial parents to provide the names and addresses of their children's other parent. This would at least ensure that matched data were available for all non-custodial respondents, which would be particularly useful for assessing response bias in an unknown (statistical) universe.

Of the almost 4000 custodial parent respondents, only 1040 could or would provide the information necessary to contact their former partners. Questionnaires were mailed to each of the nominated non-custodial parents. Fifty-four were returned unknown at the address provided. Two hundred and four completed questionnaires were returned.

It is, perhaps, apposite at this point to note that, not only with pre-Scheme non-custodial parents, but with all the samples drawn for this evaluation, non-custodial parents were substantially less likely to respond than were custodial parents, males were slightly less likely than females (even after controlling for 'custodialness'), and that non-custodial parents were more likely to respond if they had been paying maintenance.

Clearly, it would have been preferable to have had a larger pre-Scheme sample of non-custodial parents. On the other hand, it should be noted that a primary goal of the child maintenance reforms is to help the children of separated parents. While non-custodial parent views and circumstances are of interest to the evaluation, it is custodial parents who are more aware of the Scheme's impact on their children, whose own financial resources are the more likely to be inadequate and whose responses, therefore, are more important.

Wave II

Of the 3755 pre-Scheme custodial parent respondents, 2533 had provided their names and addresses so that they might be reinterviewed in 1990. Of the mailed Wave II questionnaires, 108 were returned address unknown and 1435 were returned by respondents. Of those returned by respondents, 14 were returned blank and 122 reported that they ceased to fall within the scope of the sample (that is, whose children had reached the age of 18 years, who reported changes in custody arrangements or who had reconciled). Discounting these, the 1326 respondents remaining in the pre-Scheme panel (that is, Wave I and Wave II respondents) represent an effective response rate of 62 per cent.

Applying the same discount, only 78 non-custodial parents were retained in the panel. Their small number rendered this particular sample defunct. It is not examined in this Report.

Weighting

In general, the weighting procedure employed for data in this evaluation is analogous to that used for the ABS 1986 Income Distribution Survey: 'Estimates derived from the survey were obtained by using a complex ratio

estimation procedure which ensures that survey estimates conform to an independently estimated distribution of the population . . . rather than to the . . . distribution within the sample itself.' (ABS 1987, p.19)

The best available (in 1988, when the sample was drawn) custodial parent population data, presented in Table A1-2, derive from the Social Security Review Issues Paper No. 3 and from 1988 data provided by the Department of Social Security. While not providing a direct one-to-one correspondence with sample strata, the available data are sufficiently comparable for analytical purposes.

Comparison in Table A1-2 of population and Wave I sample percentages demonstrates clearly the stratification effects of the pre-Scheme sampling frame — pensioners, sole parents, and males are substantially overrepresented. Wave I weighting factors were calculated by dividing population proportions by sample proportions of each of the groups identified in Table A1-2. Since no reasonable population data are available on non-custodial parents and since all were located through their former partners, non-custodial parents are assigned the same weights as their children's other parent.

Table A1-3 examines the sampling characteristics of the pre-Scheme custodial parent sample (both Wave I and the panel) in terms of gender, partnership status and pension status (the three factors on which the pre-Scheme sample was initially stratified. Weighting factors for panel respondents were determined by dividing the weighted percentages of the Wave I respondents by the weighted percentages of those responding at Wave II as well.

Child Support Agency Registrants

Difficulties associated with locating potential pre-Scheme respondents were not encountered with on-Scheme samples. In each case, the Child Support Agency mailed questionnaires on the Institute's behalf to various of its clients.

An early on-Scheme sample was sent questionnaires in 1988. Findings from this sample were discussed in the interim report and are referred to only minimally in this final evaluation report. Sampling characteristics, etc. are discussed in the Institute's interim report, *Who Pays for the Children?*

The major on-Scheme mailout took place in June and July 1990. Six separate strata (three primary characteristics x custodial and non-custodial parents) were identified among Agency clientele and were sampled independently of each other: registered custodial and registered non-custodial parents who were receiving/paying maintenance through the Agency; registered custodial and non-custodial parents registered but not receiving/paying through the Agency; custodial and non-custodial parents once registered but then opted out. In addition, a sample of employers involved in maintenance withholding was selected.

Response rates for each on-Scheme sample are presented in Table A1-4. Yet again, as with pre-Scheme samples, custodial parents were more likely to respond than were non-custodial (any gender bias must be treated carefully since registered male custodians represent less than two per cent of the population — see Chapter 1). Those receiving maintenance through the Scheme were the most likely to respond (40 per cent); custodial parents not receiving were the next most likely (35 per cent); non-custodial parents registered for collection but not paying maintenance through the Agency were the least likely to respond (6 per cent).

Weighting

Table A1-5 compares Child Support Agency registration information with selected characteristics of the unweighted samples. Table A1-6 shows how each sample was subsequently weighted. Table A1-7 re-presents the data of Table A1-5 for the subsequently weighted data. Employer data have not been weighted since no population figures (such as those for the Child Support Agency population) are available for comparison on significant variables (for example, number of employees in the pay centre).

Table A1-1: Wave I response rates for sample strata

	Sampling Group				
	1	2	3 & 6	4	5
Custodial Parent?	Yes	Yes	N/A	Yes	Yes
Pensioner?	Yes	No	No	Yes	No
Sex?	Male	Male	N/A	Female	Female
Number Mailed	2270	13936	6968	6810	41808
Estimated % in Scope	70%	10%	100%	70%	10%
Estimated N in Scope	1589	1394	6968	4767	4181
Returned in Scope	375	412	1663	1249	1462
Standard Error (.50)	.026	.025	.013	.014	.014
Response Rate	23.6%	29.6%	23.9%	26.2%	35.0%
Received not in Scope	10	129	N/A	30	906
Total Received	385	541	1663	1279	2368
Composite Response Rate	24.2%	38.8%	23.9%	26.8%	56.6%

Note: An additional 55 responses were received but which failed to indicate the respondent's sex.

Table A1–2: Stratification effects on sample composition

	POPULATION				SAMPLE			
	Family Allowee		Custodial Parent					
	1985 (N)	1988 (N)	(%)	(%)	Family Allowee (N)	(%)	Custodial Parent (N)	(%)
Sole Parent Families	316 400	338 331			2802		2727	
Female Pensioner Recipient	249 100	271 136	13.9	47.6	1353	21.8	1334	35.8
Male Pensioner Recipient	14 500	13 732	0.7	2.4	382	6.2	368	9.9
Female Non-pensioner Recipient	29 900	32 545	1.7	5.7	693	11.2	679	18.2
Male Non-pensioner Recipient	22 900	20 918	1.1	3.7	374	6.0	346	9.3
Two Parent Families	1 884 400	1 608 722			3397		999	
Female Recipient		1 608 722	82.6	36.7	2892	46.7	880	23.6
Male Recipient		0	0.0	3.9	505	8.1	119	3.2
All Families	2 200 800	1 947 053			6199		3726	
Female Recipient		1 912 403			4938			
Male Recipient		34 650			1261			

Notes: 1985 population data derive from the Social Security Review Issues Paper No.3, pp. 32,33, and 40.
1988 population data, not underlined, were provided by the Department of Social Security.
Underlined 1988 population data are extrapolated.
Sample percentages exclude 92 cases for which insufficient data were available. Custodial parent population estimates assume ninety per cent are female and that fifty per cent are sole parent pensioners.

Table A1–3: Sampling characteristics of the pre-Scheme custodial parent sample: gender, partnership status and pension status

	Raw Data		Weighted Data	
	N	%	N	%
Sole Parent Families				
Female Pensioner	1334	35.8	1787	47.5
Male Pensioner	368	9.9	90	2.4
Female Non-pensioner	679	18.2	214	5.7
Male Non-pensioner	346	9.3	138	3.7
Two Parent Families				
Female Pensioner	87	2.3	136	3.6
Male Pensioner	14	0.4	17	0.5
Female Non-pensioner	793	21.3	1242	33.1
Male Non-pensioner	105	2.8	130	3.5
Total	3726	100.0	3754	100.0

Note: 29 cases were not fully classifiable in the terms of this table and are, therefore, missing from the raw data analysis. Assigned a weight of 0.0, they are notionally included in the weighted analysis. The one apparently missing case in the weighted analysis is simply a result of rounding error at the time of weighting.

Table A1–4: 1990 on-Scheme samples: response rates

Sample	Sent out	RTS	Out of scope	Max. poss.	Valid returns	Resp. rate
Custodial — receiving	6000	372	63	5565	2201	39.6%
Non-custodial — paying	6000	246	38	5716	1247	21.8%
Custodial — not receiving	3000	240	143	2617	907	34.7%
Non-custodial — not paying	3000	398	19	2583	144	5.6%
Custodial — opted out	1038	71	21	946	172	18.2%
Non-custodial — CP opted out	1038	101	15	922	95	10.3%
Employers	3497	37	31	3429	1594	46.5%

Table A1–5: Comparison of the CSA population (April 1990) with on-Scheme respondent characteristics*

		Receiving/paying maintenance		Not receiving/paying maintenance	
	CSA population	CP	NCP	CP	NCP
Age					
< 21	0.4	0.3	*	0.7	*
21–30	23.0	27.0	*	27.9	*
31–40	54.1	55.4	*	51.9	*
> 40	22.6	23.2	*	19.5	*

continued

continued

	CSA population	Receiving/paying maintenance CP	Receiving/paying maintenance NCP	Not receiving/paying maintenance CP	Not receiving/paying maintenance NCP
Pensioner					
Yes	69.1	72.2	*	74.9	*
No	30.9	27.8	*	25.1	*
Number of Children					
One	46.6	43.0	43.5	45.5	43.4
Two	39.0	42.0	39.1	37.9	40.3
Three	11.6	12.5	14.4	12.6	14.0
Four or more	2.8	2.6	3.9	4.0	2.3
Year of most recent order/agreement					
1988–1990	61.2	65.0	74.2	50.7	69.1
1985–1987	21.5	19.7	15.7	28.0	14.5
1982–1984	9.3	8.8	6.2	11.8	8.2
< 1982	8.0	6.5	3.9	9.6	8.2
Court of Jurisdiction					
Family	42.0	67.5	72.7	56.4	55.8
Magistrate	51.9	29.3	23.9	39.6	41.7
Other	6.1	3.1	3.4	4.0	2.5
Maintenance Paid $ per week per child					
None	–	–	–	100.0	100.0
1–10	8.2	9.1	2.7	–	–
11–20	25.4	28.3	10.6	–	–
21–30	30.8	31.7	17.9	–	–
31–40	9.4	16.2	13.2	–	–
41–50	12.4	9.6	15.4	–	–
51–60	8.6	2.7	11.4	–	–
> 60	5.2		28.8	–	–

	CSA Population	Opt-outs CP	Opt-outs NCP
Court of Jurisdiction			
Family	49.2	68.7	78.0
Magistrate	46.8	27.0	20.9
Other	4.0	4.3	1.1

*Where population details refer to individuals, they are available only for custodial parents. Where details refer to registered case-level information, they are available for both parents. Only court of jurisdiction information was necessarily currently valid for opted-out cases at the time of interview.

NB: CSA population figures include those receiving and those not receiving maintenance.

Table A1–6: Weighting factors applied to 1990 on-Scheme samples.

Custodial Parents Registered for Collection*			
Receiving maintenance	Pensioner	Court	Weighting factor
Yes	Yes	Family	.558
Yes	Yes	Magistrate	1.394
Yes	Yes	Other	1.494
Yes	No	Family	.479
Yes	No	Magistrate	.927
Yes	No	Other	1.448
No	Yes	Family	1.046
No	Yes	Magistrate	2.613
No	Yes	Other	2.800
No	No	Family	.904
No	No	Magistrate	1.738
No	No	Other	2.715

Non-custodial Parents Registered for Collection*		
Paying maintenance	Court	Weighting factor
Yes	Family	.402
Yes	Magistrate	1.047
Yes	Other	1.280
No	Family	2.680
No	Magistrate	6.974
No	Other	8.524

Opted-Out Custodial Parents		
	Weighting factor	
Court	CPs	NCPs
Family	.716	.631
Magistrate	1.733	2.239
Other	.930	3.636

*In order to combine the samples of those receiving/paying with those who were not, it was necessary to accommodate the greater response rates among those receiving/paying.

Table A1–7: Comparison of the CSA population (April 1990) with on-Scheme respondent characteristics*

	CSA population	Receiving/paying maintenance		Not receiving/paying maintenance	
		CP	NCP	CP	NCP
Age					
< 21	0.4	0.2	*	0.5	*
21–30	23.0	20.8	*	27.9	*
31–40	54.1	55.8	*	51.3	*
> 40	22.6	23.1	*	20.3	*
Pensioner					
Yes	69.1	67.0	*	71.4	*
No	30.9	33.0	*	28.6	*
Number of Children					
One	46.6	43.3	44.7	47.1	43.5
Two	39.0	41.8	37.1	36.8	39.1
Three	11.6	12.1	15.4	12.1	14.1
Four or more	2.8	2.8	2.9	4.0	3.3
Year of most recent order/agreement					
1988–1990	61.2	66.0	75.5	50.0	72.5
1985–1987	21.5	19.5	11.8	28.2	11.2
1982–1984	9.3	7.7	10.4	11.8	15.0
< 1982	8.0	6.7	2.3	9.9	2.3
Court of Jurisdiction					
Family	42.0	46.8	49.8	35.1	32.4
Magistrate	51.9	47.2	42.7	57.8	63.0
Other	6.1	6.0	7.4	7.2	4.6

continued

continued

	CSA population	Receiving/paying maintenance		Not receiving/paying maintenance	
		CP	NCP	CP	NCP
Maintenance Paid					
$ per week per child					
None		–	–	100.0	100.0
1–10	8.2	9.0	5.7	–	–
11–20	25.4	29.0	21.9	–	–
21–30	30.8	32.2	33.2	–	–
31–40	9.4	16.1	18.8	–	–
41–50	12.4	9.1	11.5	–	–
51–60	8.6	2.2	4.3	–	–
> 60	5.2	2.3	4.5	–	–
	CSA Population	Opt-outs CP	Opt-outs NCP		
Court of Jurisdiction					
Family	49.2	49.2	49.2		
Magistrate	46.8	46.8	46.8		
Other	4.0	4.0	4.0		

*Where population details refer to individuals, they are available only for custodial parents. Where details refer to registered case-level information, they are available for both parents. Only court of jurisdiction information was necessarily currently valid for opted-out cases at the time of interview.

NB: CSA population figures include those receiving and those not receiving maintenance.

Figure A1-1: Pre-Scheme sampling frame

APPENDIX 2

MAINTENANCE CIRCUMSTANCES BY SELECTED CHARACTERISTICS

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Various tables appear throughout this report which relate respondents' maintenance circumstances to a variety of demographic characteristics. The purpose of this Appendix is to bring together in a single location and in a common format data from each of the Institute's Child Support Scheme evaluation samples, allowing a comparison across demographic classifications of respondents' maintenance circumstances. They are presented here without comment since, where they were perceived to be relevant to the evaluation itself, they have been discussed elsewhere.

In these tables, respondents are classified in terms of the following dimensions: gender, age, pension status, current marital status, and place of residence — State/Territory and whether in a capital city, major city or town, or elsewhere.

Where applicable, maintenance circumstances are provided in terms of whether any maintenance was payable, how much was payable, how much was payable for those with some due, whether any maintenance was paid, how much was paid and how much was paid among those actually receiving maintenance. For certain samples, of course, not all of these dimensions are appropriate (for example, the amount paid to those registered but not receiving maintenance).

Data for the individual samples are presented in the following tables:

A2-1 Early custodial parent registrants (1988)
A2-2 Early non-custodial parent registrants (1988)
A2-3 Pre-Scheme custodial parents, Wave I (1988)
A2-4 Pre-Scheme non-custodial parents, Wave I (1988)
A2-5 Pre-Scheme custodial parents responding at both Waves I and II (1990)
A2-6 Registered custodial parents receiving maintenance (1990)
A2-7 Registered non-custodial parents paying maintenance (1990)
A2-8 Registered custodial and non-custodial parents not receiving/paying maintenance (1990)

A2-9 Custodial parents who opted out of the Scheme (1990)
A2-10 Non-custodial parents whose former partners opted out of the Scheme (1990)

(Note: an insufficient number of pre-Scheme non-custodial parents responded at both Wave I and Wave II to include here.)

Table A2-1: Early custodial parent registrants (1988)

Demographics	Any due %	1988 due $	1988, if any due $	Any paid %	N
Respondent's gender:					
Female	99.7	24.54	24.54	44.1	1680
Male	100.0	23.79	23.79	47.1	15
Respondent's age:					
< 21	100.0	32.68	32.68	42.6	8
21–25	100.0	23.98	23.98	42.1	109
25–30	100.0	23.96	23.96	45.4	371
31–35	100.0	23.01	23.01	43.8	482
36–40	99.8	25.42	25.42	45.6	431
> 40	98.2	26.76	26.76	42.1	282
Pension status:					
Pensioner	99.5	23.97	23.97	41.9	1252
Non-pensioner	100.0	26.10	26.10	50.6	444
Current marital status:					
Never married	100.0	20.56	20.56	36.4	122
In first marriage	100.0	25.96	25.96	25.0	5
Now remarried	100.0	23.46	23.46	52.1	176
Separated but not divorced	99.6	26.86	26.86	44.2	368
Divorced	99.6	24.38	24.38	43.9	1008
Widowed	100.0	18.89	18.89	28.8	7
Place of residence:					
ACT	98.0	29.81	29.81	61.5	68
NSW	100.0	24.16	24.16	38.8	428
NT	100.0	23.41	23.41	74.0	6
Qld	100.0	23.70	23.70	40.0	300
SA	99.6	22.20	22.20	37.3	175
Tas	97.2	22.67	21.67	63.5	103
Vic	100.0	25.55	25.55	45.0	438
WA	99.6	25.87	25.87	49.4	172
Overseas	–	–	–	–	0
Capital city	99.7	26.62	26.62	47.3	804
Major city or town	99.5	23.82	23.82	43.9	407
Other	99.7	21.36	21.36	38.6	462

Table A2–2: Early non-custodial parent registrants (1988)

Demographics	Any due %	1988 due $	1988, if any due $	Any paid %	N
Respondent's gender:					
Female	100.0	24.06	24.06	80.0	12
Male	99.0	26.73	26.74	77.2	648
Respondent's age:					
< 21	–	–	–	–	0
21–25	100.0	24.42	24.42	92.5	23
25–30	100.0	26.20	26.20	71.0	120
31–35	100.0	24.68	24.68	82.7	133
36–40	99.3	26.28	26.28	74.5	192
> 40	97.6	29.36	29.36	77.9	179
Pension status:					
Pensioner	96.4	22.20	22.20	60.9	73
Non-pensioner	99.4	27.15	27.16	79.3	586
Current marital status:					
Never married	100.0	25.17	25.17	84.5	37
In first marriage	95.6	30.17	30.17	79.5	15
Now remarried	98.8	25.44	25.44	76.0	215
Separated but not divorced	100.0	28.52	28.52	79.1	138
Divorced	98.8	26.58	26.61	75.8	250
Widowed	100.0	24.92	24.92	100.0	2
Place of residence:					
ACT	97.3	29.99	29.99	83.2	23
NSW	99.6	26.63	26.63	75.7	171
NT	100.0	21.48	21.48	100.0	6
Qld	98.0	24.63	24.63	68.7	118
SA	100.0	22.00	22.00	74.3	49
Tas	100.0	21.66	21.66	90.1	48
Vic	99.2	29.50	29.50	80.1	166
WA	99.0	30.39	30.39	79.2	65
Overseas	100.0	35.08	35.08	100.0	1
Capital city	99.0	28.86	28.86	79.0	326
Major city or town	98.5	25.74	25.75	77.0	159
Other	99.6	23.21	23.24	73.5	164

Table A2-3: Pre-Scheme custodial parents, Wave I (1988)

Demographics	Any due %	1988 due $	1988, if any due $	Any paid %	1988 paid $	1988, if any paid $	N
Respondent's gender:							
Female	58.8	13.59	23.02	36.7	8.86	23.92	3183
Male	19.2	4.24	22.92	9.7	2.11	22.25	362
Respondent's age:							
< 21	15.4	3.46	22.44	13.7	2.60	19.00	78
21–25	38.0	8.85	23.36	26.5	5.99	22.67	300
25–30	53.5	11.88	22.21	30.5	6.99	22.76	647
31–35	56.8	12.09	21.28	34.2	7.77	22.77	963
36–40	64.8	14.88	23.18	41.1	10.03	24.47	830
> 40	54.8	14.29	25.96	43.9	9.34	28.21	705
Pension status:							
Pensioner	51.9	11.94	22.81	34.5	8.16	23.29	1917
Non-pensioner	58.5	13.48	23.24	33.4	8.18	24.58	1628
Current marital status:							
Never married	23.9	4.96	20.79	15.2	3.00	19.76	539
In first marriage	25.1	4.22	16.79	10.9	1.96	17.99	130
Now remarried	68.0	14.80	21.79	33.0	7.73	23.21	845
Separated but not divorced	53.3	13.49	25.40	41.0	10.31	25.32	795
Divorced	64.4	14.92	23.28	41.5	10.08	24.18	1221
Widowed	27.9	5.86	21.00	0.0	0.00	0.00	8
Place of residence:							
ACT	58.0	14.24	24.86	42.3	10.96	26.99	65
NSW	55.9	13.33	24.14	33.4	8.13	24.44	1076
NT	27.3	8.12	30.00	9.2	2.00	21.97	39
Qld	45.6	9.04	19.96	26.6	5.56	20.93	684
SA	54.9	11.10	20.30	36.4	7.61	20.97	360
Tas	56.2	13.14	19.80	31.7	8.02	19.93	122
Vic	60.8	15.07	24.71	39.1	10.34	26.41	840
WA	58.7	13.80	23.60	38.7	9.25	23.63	344
Overseas	–	–	–	–	–	–	0
Capital city	57.8	14.05	24.24	37.3	9.40	25.02	1614
Major city or town	55.7	12.21	21.77	33.4	7.96	23.53	744
Other	50.7	10.97	21.79	29.8	6.62	22.16	1111

Table A2–4: Pre-Scheme non-custodial parents, Wave I (1988)

Demographics	Any due %	1988 due $	1988, if any due $	any paid %	1988 paid $	1988, if any paid $	N
Respondent's gender:							
Female	18.6	3.51	18.89	11.5	2.29	20.02	15
Male	80.8	20.92	25.90	73.9	20.13	27.22	170
Respondent's age:							
< 21	0.0	0.00	0.00	0.0	0.00	0.00	1
21–25	27.6	6.47	23.45	23.3	5.83	25.00	6
25–30	74.1	20.10	27.13	64.7	19.81	30.63	18
31–35	63.2	17.10	27.04	60.8	16.77	27.59	45
36–40	88.5	20.81	23.50	84.6	20.03	23.67	58
> 40	78.2	21.45	27.44	67.0	20.27	30.20	56
Pension status:							
Pensioner	39.6	6.08	15.37	26.6	3.20	12.03	27
Non-pensioner	80.5	21.34	26.49	76.2	21.35	28.02	157
Current marital status:							
Never married	43.5	9.54	21.92	41.1	11.77	28.63	27
In first marriage	–	–	–	–	–	–	0
Now remarried	85.1	19.54	22.97	82.2	20.18	24.56	66
Separated but not divorced	71.2	24.21	34.00	70.1	24.07	34.32	48
Divorced	73.7	17.25	23.42	58.2	13.94	23.96	60
Widowed	–	–	–	–	–	–	0
Place of residence:							
ACT	91.1	40.83	44.84	91.1	45.06	49.48	4
NSW	72.7	20.84	28.66	66.6	19.24	28.87	50
NT	100.0	13.36	13.36	100.0	13.36	13.36	2
Qld	71.2	15.65	21.97	69.2	16.58	23.95	38
SA	64.5	16.58	25.70	56.7	15.38	27.11	16
Tas	89.5	39.14	43.75	89.5	39.14	43.75	3
Vic	82.5	18.67	22.64	72.6	17.38	23.92	46
WA	85.7	23.78	27.73	79.7	23.66	29.67	21
Overseas	–	–	–	–	–	–	0
Capital city	76.3	20.31	26.60	72.1	20.63	28.58	92
Major city or town	78.2	22.23	28.42	64.6	18.12	28.04	42
Other	71.9	15.37	21.39	66.2	15.44	23.33	45

Table A2–5: Pre-Scheme custodial parents responding at both Waves I and II (1990)

Demographics	Any due %	1990 due $	1990, if Any due $	Any paid %	1990 paid $	1990, if any paid $	N
Respondent's gender:							
Female	66.5	15.60	23.09	43.0	10.67	24.21	1124
Male	22.3	4.73	22.95	12.9	2.61	21.87	125
Respondent's age:							
< 21	100.0	30.00	30.00	100.0	30.00	30.00	1
21–25	31.2	7.21	23.11	25.5	6.06	23.72	53
25–30	52.4	12.40	23.57	32.6	7.71	23.38	149
31–35	65.1	14.07	21.71	38.3	9.03	23.36	313
36–40	68.0	15.07	22.16	45.5	11.06	24.61	340
> 40	63.8	16.27	24.94	41.8	10.79	24.55	388
Pension status:							
Pensioner	60.5	14.78	23.51	39.4	10.60	25.57	425
Non-pensioner	63.3	14.40	22.84	40.5	9.49	23.40	824
Current marital status:							
Never married	30.5	6.22	20.41	16.7	3.66	21.98	123
In first marriage	37.5	6.57	17.51	17.7	3.25	18.38	48
Now remarried	70.5	15.25	21.98	39.5	8.71	22.17	361
Separated but not divorced	64.6	16.57	25.40	49.9	12.47	25.48	181
Divorced	66.9	16.16	23.71	45.9	11.97	25.22	527
Widowed	18.7	4.11	22.00	0.0	0.00	0.00	7
Place of residence:							
ACT	40.2	12.27	30.75	39.0	11.20	32.04	28
NSW	60.0	15.04	25.59	38.2	10.00	26.51	379
NT	100.0	18.01	18.01	88.0	15.00	17.05	2
Qld	50.6	9.17	18.07	31.4	5.97	18.71	215
SA	64.4	12.89	20.08	41.9	8.70	20.66	142
Tas	63.9	17.82	18.95	42.9	13.93	20.26	44
Vic	74.6	18.30	24.25	47.6	12.38	25.95	315
WA	61.8	14.50	23.66	38.9	9.34	23.42	122
Overseas	–	–	–	–	–	–	0
Capital city	63.7	15.99	24.68	44.6	11.43	25.12	596
Major city or town	62.6	14.13	22.30	37.1	9.75	25.63	260
Other	60.7	12.62	20.95	35.6	7.59	21.27	372

Table A2–6: Registered custodial parents receiving maintenance (1990)

Demographics	1990 due $	1990 paid $	N
Respondent's gender:			
Female	28.83	27.68	1430
Male	23.18	22.25	24
Respondent's age:			
< 21	43.31	41.17	3
21–25	29.91	28.99	59
25–30	28.32	27.17	241
31–35	27.45	26.40	386
36–40	27.74	26.58	420
> 40	31.09	29.81	334
Pension status:			
Pensioner	28.02	26.85	977
Non-pensioner	30.20	29.11	484
Current marital status:			
Never married	28.75	27.10	121
In first marriage	21.60	21.15	11
Now remarried	28.06	26.74	204
Separated but not divorced	29.99	29.11	206
Divorced	28.61	27.58	900
Widowed	30.01	25.53	5
Place of residence:			
ACT	31.37	29.88	44
NSW	29.40	27.83	358
NT	40.86	40.86	11
Qld	26.63	25.47	307
SA	25.07	24.44	168
Tas	25.15	24.90	69
Vic	31.12	29.90	392
WA	29.26	28.44	104
Overseas	–	–	0
Capital city	30.13	29.08	680
Major city or town	28.74	27.11	249
Other	26.50	25.62	411

Table A2–7: Registered non-custodial parents paying maintenance (1990)

Demographics	1990 due $	1990 paid $	N
Respondent's gender:			
Female	31.28	22.15	11
Male	22.23	33.77	635
Respondent's age:			
< 21	0.00	0.00	0
21–25	30.73	30.73	13
25–30	32.17	33.51	75
31–35	28.63	30.43	145
36–40	29.22	33.82	182
> 40	34.00	35.75	223
Pension status:			
Pensioner	26.11	33.37	587
Non-pensioner	31.63	33.52	65
Current marital status:			
Never married	29.13	29.13	31
In first marriage	27.49	27.92	24
Now remarried	31.02	33.63	231
Separated but not divorced	30.54	32.26	94
Divorced	31.92	35.12	256
Widowed	32.91	29.98	4
Place of residence:			
ACT	36.54	48.06	17
NSW	33.00	33.48	151
NT	28.79	27.96	9
Qld	29.86	32.39	142
SA	26.73	30.21	60
Tas	26.64	26.61	29
Vic	31.37	34.50	178
WA	32.60	37.53	59
Overseas	0.00	0.00	0
Capital city	33.03	35.52	329
Major city or town	29.43	32.60	132
Other	28.82	30.72	180

Table A2–8: Registered custodial and non-custodial parents not receiving/paying maintenance (1990)

Demographics	*Custodial Parents* 1990 due $	N	*Non-Custodial Parents* 1990 due $	N
Respondent's gender:				
Female	26.03	1215	0.00	0
Male	25.09	24	34.57	554
Respondent's age:				
< 21	30.63	6	0.00	0
21–25	27.63	97	26.29	17
25–30	28.28	251	41.82	71
31–35	24.90	323	27.79	102
36–40	23.93	311	39.75	161
> 40	27.22	242	32.84	194
Pension status:				
Pensioner	25.23	885	29.11	239
Non-pensioner	27.96	355	38.22	315
Current marital status:				
Never married	27.67	192	32.10	46
In first marriage	24.26	17	12.90	17
Now remarried	25.51	143	29.03	173
Separated but not divorced	28.09	218	56.71	101
Divorced	24.95	662	30.40	206
Widowed	41.67	3	0.00	0
Place of residence:				
ACT	25.49	18	30.00	7
NSW	26.53	444	51.19	165
NT	28.86	9	0.00	0
Qld	24.92	237	32.36	98
SA	23.50	76	19.38	45
Tas	24.10	27	19.87	29
Vic	26.99	387	30.44	163
WA	22.89	41	23.92	35
Overseas	0.00	0	0.00	0
Capital city	28.35	493	33.98	225
Major city or town	26.29	315	48.45	113
Other	23.16	413	29.14	204

Table A2–9: Custodial parents who opted out of the Scheme (1990)

Demographics	Any due %	1990 due $	1990, if any due $	Any paid %	1990 paid $	1990, if any paid $	N
Respondent's gender:							
Female	100.0	40.18	40.18	82.0	5.50	42.21	154
Male	100.0	19.25	19.25	50.0	34.60	11.00	3
Respondent's age:							
< 21	100.0	0.00	0.00	0.0	0.00	0.00	0
21–25	100.0	70.31	70.31	100.0	70.31	70.31	7
25–30	100.0	32.55	32.55	83.1	26.52	31.92	27
31–35	100.0	33.05	33.05	85.4	29.23	34.25	38
36–40	100.0	34.08	34.08	83.4	28.92	34.69	42
> 40	100.0	50.74	50.74	71.7	42.62	59.45	42
Pension status:							
Pensioner	100.0	37.11	37.11	80.7	30.72	38.06	40
Non-pensioner	100.0	40.53	40.53	81.7	35.07	42.91	117
Current marital status:							
Never married	100.0	79.67	79.67	63.1	61.75	97.91	7
In first marriage	100.0	36.52	36.52	100.0	36.96	36.96	2
Now remarried	100.0	32.29	32.29	72.7	24.52	33.75	41
Separated but not divorced	100.0	42.16	42.16	88.4	40.96	46.36	33
Divorced	100.0	39.51	39.51	84.3	33.72	39.99	74
Widowed	0.0	0.00	0.00	0.0	0.00	0.00	0
Place of residence:							
ACT	100.0	44.86	44.86	100.0	44.86	44.86	8
NSW	100.0	43.13	43.13	89.9	38.56	42.90	56
NT	0.0	0.00	0.00	0.0	0.00	0.00	0
Qld	100.0	32.66	32.66	75.0	24.61	32.81	16
SA	100.0	21.71	21.71	63.2	15.56	24.62	11
Tas	100.0	24.78	24.78	100.0	21.65	21.65	4
Vic	100.0	41.51	41.51	73.7	34.02	46.14	49
WA	100.0	43.90	43.90	80.0	38.20	47.75	14
Overseas	0.0	0.00	0.00	0.0	0.00	0.00	0
Capital city	100.0	44.43	44.43	83.1	36.39	43.78	86
Major city or town	100.0	39.64	39.64	82.4	38.82	47.09	36
Other	100.0	28.62	28.62	78.9	24.65	31.24	31

Table A2–10: Non-custodial parents whose former partners opted out of the Scheme (1990)

Demographics	Any due %	1990 due $	1990, if any due $	Any paid %	1990 paid $	1990, if any paid $	N
Respondent's gender:							
Female	100.0	11.00	11.00	100.0	25.00	25.00	2
Male	100.0	44.04	44.04	87.6	67.94	77.53	89
Respondent's age:							
< 21	0.0	0.00	0.00	0.0	0.00	0.00	0
21–25	100.0	30.00	30.00	100.0	30.00	30.00	1
25–30	100.0	37.60	37.60	100.0	52.80	52.80	5
31–35	100.0	40.94	40.94	86.7	66.00	76.15	15
36–40	100.0	42.43	42.43	100.0	77.73	77.73	22
> 40	100.0	45.73	45.73	83.0	66.02	79.56	47
Pension status:							
Pensioner	100.0	54.00	54.00	100.0	50.00	50.00	1
Non-pensioner	100.0	43.11	43.11	87.8	67.19	76.54	90
Current marital status:							
Never married	100.0	26.50	26.50	100.0	53.00	53.00	2
In first marriage	0.0	0.00	0.00	0.0	0.00	0.00	0
Now remarried	100.0	37.52	37.52	88.0	57.40	65.23	25
Separated but not divorced	100.0	50.76	50.76	83.3	75.38	90.45	24
Divorced	100.0	42.83	42.83	90.0	68.68	76.31	40
Widowed	0.0	0.00	0.00	0.0	0.00	0.00	0
Place of residence:							
ACT	100.0	51.57	51.57	100.0	81.29	81.29	7
NSW	100.0	47.13	47.13	87.1	70.68	81.15	31
NT	0.0	0.00	0.00	0.0	0.00	0.00	0
Qld	100.0	31.87	31.87	100.0	45.00	45.00	7
SA	100.0	26.17	26.17	66.7	45.67	67.00	6
Tas	100.0	15.00	15.00	100.0	15.00	15.00	1
Vic	100.0	43.42	43.42	90.0	66.93	74.37	30
WA	100.0	48.00	48.00	77.8	81.22	104.43	9
Overseas	0.0	0.00	0.00	0.0	0.00	0.00	0
Capital city	100.0	44.27	44.27	90.9	67.98	74.78	55
Major city or town	100.0	41.63	41.63	80.0	58.33	72.92	15
Other	100.0	41.95	41.95	90.0	74.15	82.39	20

APPENDIX 3

DEPARTMENT OF SOCIAL SECURITY ESTIMATES

Methodology Used in the Estimation of Clawback from Maintenance in the Absence of a Child Support Scheme (CSS)

Immediately prior to the introduction of the Child Support Scheme in June 1988, it was established, using individual records of pensioners, that pension outlays were being reduced by $18m pa due to maintenance income.

In order to determine the amount of pension reduction or 'clawback' which would have been achieved in the absence of the Scheme after June 1988, an analysis of trends was initiated.

The results were $18m in 1988–89, $20m in 1989–90 and $22m in 1990–91.

These results must be treated with caution due to two factors:

- legislative changes which affected the characteristics of sole parent pensioners, including the percentage receiving maintenance and the amount of maintenance being received; and
- the impact of public discussion of intended changes to child support from October, 1986, well before the Scheme itself was introduced.

The analysis of trends was based on data obtained from the DSS Basic Pension Survey published quarterly. These data provide details of pensioners receiving maintenance.

Attachment 1

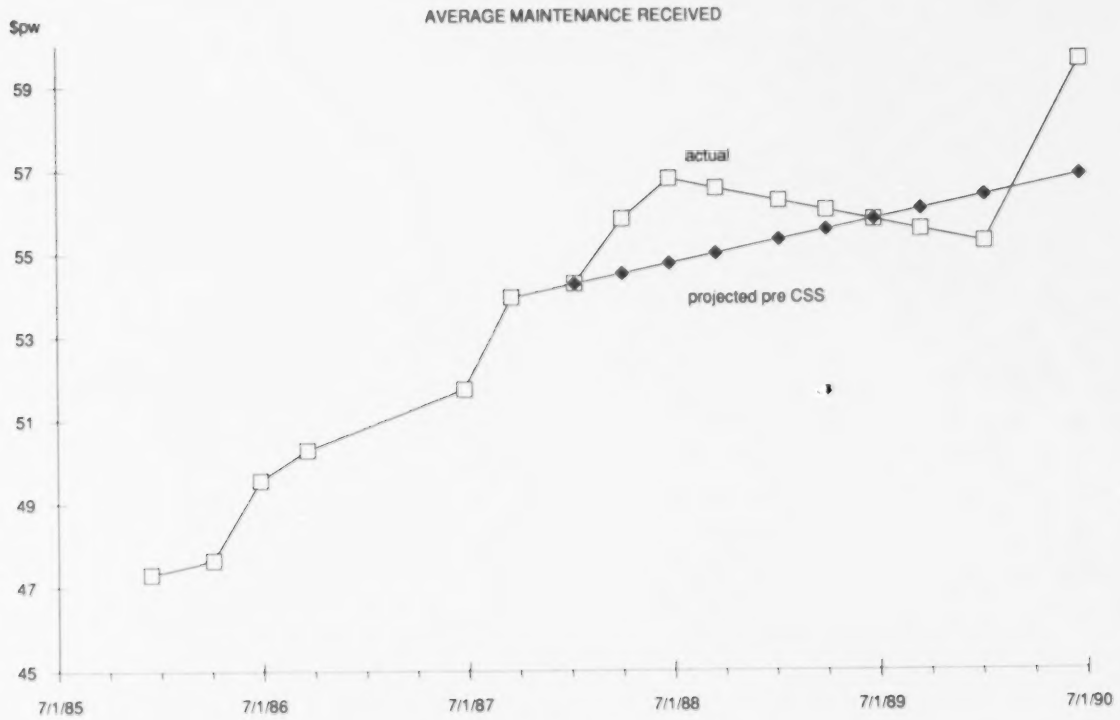
The projection of *average maintenance received* was based on the trend from September 1987 to January 1988. Any future data would have included increases due to the Budget announcement of the CSS (although, as noted above, it is possible that the impending CSS was already influencing the growth of maintenance).

Attachment 2

There are two projections of the *percentage of pensioners receiving maintenance*. These reflect the likely worst and best cases. The midpoint was selected for estimating purposes.

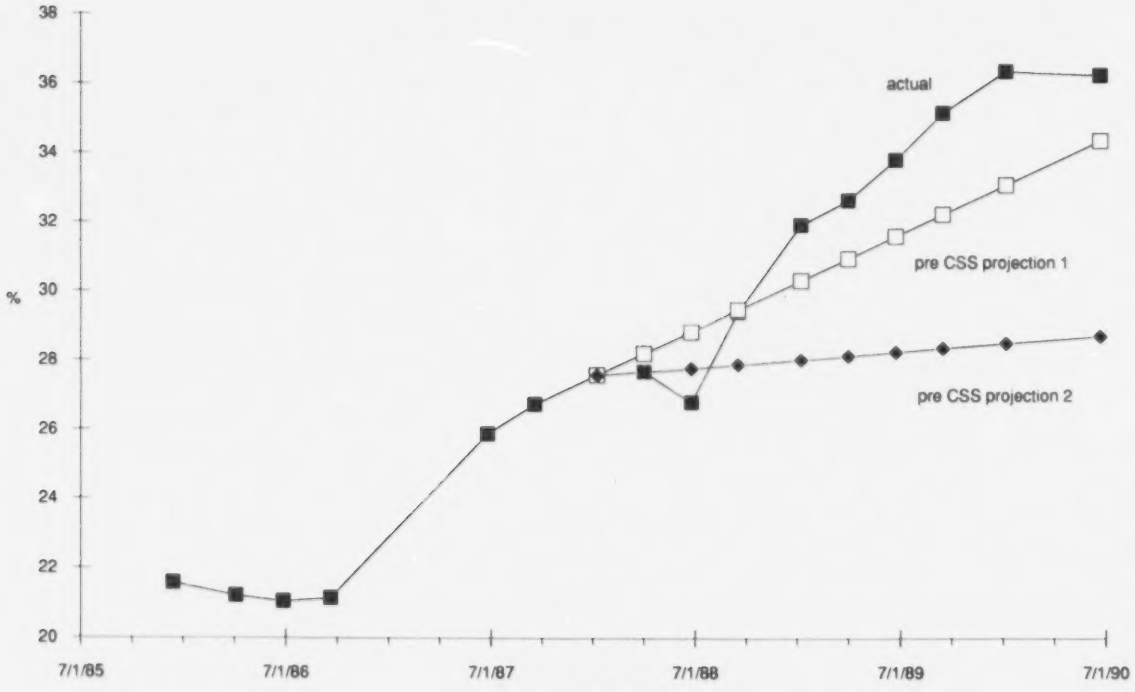
Social Policy Division
Department of Social Security

Attachment 1



Attachment 2

PERCENTAGE OF SOLE PARENTS RECEIVING MAINTENANCE



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Paying for the Children documents the early results of what is arguably the most important policy outcome of family breakdown since the Family Law Act 1975 — the Child Support Scheme. The Scheme reasserts and extends work/life rights to the principle that *both* parents of a dependent child continue to be financially responsible after the breakdown of a parental relationship.

The new Scheme puts in place an administrative system of collection and payment and, more equitably, a standard formula based on income levels to improve and maintain adequacy in relation to the costs of children.

The Institute's evaluation of the first stage of the Scheme covers the experiences of more than 1,000 custodial and non-custodial parents, includes in the study sample drawn from more than 10,000 cases registered with the Child Support Agency, and canvasses the views of employers involved in the collection of maintenance.

Overall the findings indicate that Australia has moved in the right direction. Prior to the Child Support Scheme, over 50 per cent of children eligible for maintenance were receiving no payments at all from their non-custodial parents, even those who were owed, averaged only about $24 per week for one child, an amount clearly out of line with Institute research on the cost of keeping children. Under the new Scheme, the average amount of maintenance had increased to $31.29 for each child per week at the end of 1990.

An Australian Institute of Family Studies Research Project

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